ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

ASSESSMENT OF THE PERFORMANCE OF 2010-2015 INVESTMENTPROJECT MANAGEMENT PRACTICES AT DUKEM, OROMIA: CHALLENGES AND OPPORTUNTIES FROM STAKEHOLDER PERSPECTIVES

BY

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ADVISOR: ALULA TESSEMA (PH.D)

JUNE, 2017

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A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE DEGREE OF MASTERS OF BUSINESS ADMINISTRATION IN PROJECT MANAGEMENT

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By

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DECLARATION

I, the undersigned, declare that the research entitled "Assessment of The Performance of 2010-2015 Investment Project Management Practices at Dukem, Oromia: Challenges and Opportunities from Stakeholders Perspectives" is my original work and has not been presented to any other University or College for the completion of any degree.

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(The Researcher)

CONFIRMATION

I confirm that this thesis entitled “Assessment of the Performance of 2010-2015 Investment Project Management Practices at Dukem, Oromia: Challenges and Opportunities from Stakeholders Perspectives” conducted by AbdurahmanTemamAbdulkadir has been advised by me and submitted for examination with my approval.

Alula Tessema (PhD)

Signature _____

Date _____

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Acronyms and Abbreviations

ADLI: Agricultural Development Led Industrialization

BSC: Balanced Score Card

CSA: Central Statistics Authority

CSF: Critical Success Factor

EPDRF: Ethiopian People Democratic Revolutionary Front

FDI: Foreign Direct Investment

GDP: Gross Domestic Product

HR : Human Resource

KRA: Key Result Areas

LDC: Least Developed Countries

M&E: Monitoring and Evaluation

MoFED: Ministry of Finance and Economic Development

NPV: Net Present Value

OIC: Oromia Investment Commission

R&D: Research and Development

SD : Standard Deviation

TQM: Total Quality Management

UNCTAD: United Nations Conference on Trade and Development

UNIDO: United Nations Industrial Development Organization

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Abstract

Investment is a driving force for economic growth, job creation and poverty reduction in developed and developing countries. Ethiopia is one of the developing countries to enhance different types of investment in operation. But the growths of investment projects by private investors in Ethiopia and land management have many irregularities. This study assessed the positive and negative performance status of investment project management practices on private investors in Oromia Region at Dukem town from stakeholder perspectives. Hence, the study focused to examine variables including land, labor, transport, farmers' compensations, employment and government bureaucracy at Dukem, Oromia. The researcher used by preparing a survey questionnaires and collected data from farmers, investors and government offices. Observation of the livelihood of displaced farmers and face-to-face interviews was conducted in order to get more reliable data from the primary sources. To achieve the objective of the study 66 questionnaires were distributed and 61 (92.4%) of them were successfully completed and analyzed using SPSS software. A purposeful face –to-face interview were conducted with 5 displaced farmers who become landless and 5 investors who were affected by bureaucratic management and analyzed accordingly. The responses of the displaced farmers and private investors' shows that land management policy and competency of project office needs major improvement to satisfy both displaced farmers and investors. It is believed that the study helps to create awareness for investors and government authorities, as well; it will serve as a benchmark for future researchers who can work with similar or related issues.

Keywords: Compensation, investment, Performance, Investment project management

CHAPTER ONE: INTRODUCTION

This study was conducted to assess the performance 2010- 2015 investment projects management at Dukemin Oromia region, even though many investments have been held in different towns surrounding Addis Ababa and other areas of the country, due to time and financial constraints this research, it is limited only in Dukem town. This study was expected to give insightsfor other towns surrounding the Addis Ababa.

1.1.Background of the study

Economic growth is the primary objective of any nation in the world. To raise income, wellbeing and economic capabilities of the people everywhere is the most crucial task facing us today. Aid is disbursed every year; investments are undertaken; policies are framed and elaborated; plans are hatched to achieve these goals at least step to close it (Alemtsahay, 2015).

In Africa, many leaders have recently realized the significant role of the private sector in enhancing sustainable economic growth. These leaders focus their attention on long-term structural adjustment programs and sectoral reforms adopted by these countries in a bid to provide the necessary incentives for the development of the private sector. The growing concern towards the development of the private sector necessitated the formulation of appropriate government policies. This phenomenon resulted to what is known as privatization.

In this, many developing countries (LDC) look at Foreign Direct Investment (FDI) as an engine of growth. FDI is associated with benefits to a host country such as: capital inflow, employment, management skills, and most importantly technological spillovers effects to domestic manufacturing firms. The expectation of attaining technological spillovers has motivated many LDCs to adopt policies that can attract foreign firms. For example, Ethiopia has attracted foreign firms by providing incentives such as tax holidays and subsidies in order to attract FDI. As a result, the average annual FDI inflows to Ethiopia have increased.

The civil war and the socialist ideology that the country had entertained resulted in an enormous economic damages; i.e. destruction of productive assets, social upheavals, resource diversion from productive sector, capital plight, etc (Daniel, A. et al 2009). But during its final days the Derg proclaimed mixed economy as a way out but it availed little. In the end, it had to give way to EPDRF even though at the initial stage the transfer of power teemed with maze of problems and confusions of economic, social and political issues.

The new government (EPRDF) has come to power undertook number of reforms to tackle these problems. These can see as a series of phases. The first phase reform, undertaken during 1992/93-1994/95 includes devaluation of birr, introduction of new interest rate structure, rationalization of public expenditure, new investment, labor and public enterprise laws, decontrolling of internal market, transport, trade, price deregulation, etc (MoFED, 1998). In the second phase (1994/95-1996/97), focus was given to the creation of fertile environment for labor-intensive growth, confining government roles to selected economic activities, and enhancing private sector activity and investment. These objectives were aimed to be achieved by implementing the Agricultural Development Led Industrialization (ADLI) and mobilizing both internal and external resources.

Investment refers to increase for capital goods that increase an amount of capital a country produces, which in turn to effects the amount of production the country can achieve in future years.

An investment theory suggests that for an economy to develop growth to occur and promote the level of investment has to be greater. Investment activities whether private, public, and government encompasses all variables of an economic development sectors including agricultural, manufacturing industry, services, human development (education, health, etc) and other related sectors.

An investment plays a significant role in an economic development in contributing many useful practices and activities that turn effects the country's economic development. Based on investment research theories and research studies on the high rate of investment are a necessary condition for the high rate of growth in GDP (Romer M, 1993). Investment not only provides finance, but also technical, personal, new technology, research, and innovations in products and techniques of production. It helps in raising productivity; and hence, real wage of local labors and the investment project is labor intensive. It also provides larger employment opportunities; and creates effective demand for investment goods and increasing the production of goods and services that promotes economic growth.

In Ethiopia, after the downfall of Derg regime the current existing government has declared a new economic policy with a view to speeding up the development of Ethiopian economy. Even though the newly founded government diverted from command economy to free market economy, wealthier people found in the country and abroad did not want to participate in the system. This was because of many factors which results in lagging. Some of them are, those private owners who were working privately during the period of emperor Haile sellasie, at the

Derg regime all owned by government. So that, the experience of the country shows us it has a problem of stability. The other reason is that, there was a security problem in 1980th G.C. Due to these and some other reasons people feared to invest and trade in the country. At the same time, the government takes a measure in as privatization policy and return back some of publicly owned property to the owners. However, after taking some years and by watching the stability and investment policy, which have been revised by the government, from time to time some investors start to invest in the country.

After the arrival of EPDRF and establishment of the regions, the Federal Democratic Republic of Ethiopia declared investment proclamation, and the Oromia regional state starting 1995 declared different investment proclamations.

Oromia regional state covers 366,000km2 accounting for 31.17% of the total area of Ethiopia. Dukem is located in Oromia regional state, Oromia Special Zone Surrounding Finfine at a distance of 37 km from Addis Ababa. Its astronomical location is $8^0$45'25"-$8^0$50'30" North Latitude and $38^0$51'55-$8^0$56'5" East Longitude. The state said that in a manner that is devoid of bureaucratical hurdles is essential to shoulder its responsibilities of investment promotions (proclamation no 2/1987 E.C.,MegeletaOromia).

Based on this proclamation and other promotions made in home and abroad, some investors start investments in Ethiopia especially in Oromia and to some extent in other regions. One of the investment areas of Oromia regional state is Oromia Special Administrative Zone Surrounding Finfine which has eight towns and 6 districts. As this zone is localized around Addis Ababa there is relatively better infrastructure that motivates many investors to build industries. Even though, the support of government ranges from providing information, technical support, and facilitation of other public services most investors who handover the land are lagging behind to work on the land.The investment is progressing slowly and the farmers around the city were displaced by taking lower compensation for their land without giving a necessary guidance on how to manage their money and in what way they have been developed and continue their life in a sustained manner in the future.

Economic growth, which is being highly desired, can be achieved through capital accumulation, foreign aid, grants and loans. Among the factors which promote economic growth, capital accumulation is the most important one which is brought by real investment. By entering a new business; by expanding current business or by replacing worn out capital investment creates a

market demand for capital goods. These goods add to the stock of capital in a county, and endow it in the future, with an even larger capacity for production so an economy grows. But, its spatial distribution is uneven across different areas of Ethiopia. If flows where infrastructures are available; and in addition, it has been flowing towards areas where labor, land and the proceeds of marginal efficiency of capital are higher (BoFED, 2006).

In addition to different reforms undertaken by the government, it had have envisaged several other measures to promote private sector development. These include, inaction of investment and labor codes, eliminating restrictions on renting land, and other measures that tries to simplify the licensing and regulatory frameworks applicable to business and limiting bureaucratic discretions (Minale, 2010).

Based on these and other reforms made in the country, by the direction given by the regional government,Dukem town has started to give land for investors starting from 1996. Due to the closeness to Addis Ababa and the reforms made by the government investors were encouraged to invest in it and the number of investment is progressing from time to time.

Even though the numbers of investment become larger the displacement of farmers' livelihood of the community seems disturbed and not managed in an organized manner. In addition to this the productivity of land after investors have taken should be analyzed and has to be directed in an organized way. Therefore, the researcher has studied the performance of investment project management in Dukem by assessing challenges and opportunities from stakeholder perspectives.

1.2.Statement of the Problem

The Ethiopian economy has been characterized by erratic nature of output as the economy has been highly dependent on natural factors. Sustainable economic growth is highly determined by the rate of investment which in turn is mainly determined by the national savings level. The national savings level of the country in Africa is quite low. FDI is an alternative source of capital to bridge the gap between savings and the required investment level (Daniel, 2009).

Investment is among the components of gross domestic products of a country. While measuring a country's economy performance, both quantitative and qualitative parts has to be seen. The quantitative part which is indicated by the amount of investment made in a given year and the qualitative part measures the efficiency of the invested capital (Habtamu, 2015).

After the government has adopted a new economic policy some investors in Ethiopia and abroad have taken the land from the Federal government and Oromia regional state.Around Addis Ababa industrial projects has been increasing from time to time. However, many investors took the land

for an informal selling of the land or transferring to other investors. So that, many of the land taken by investors has not been developed for many years.Because of this reason thedisplaced farmers have been complaining the government in order to farm on it until the real investors developed the land. On the other hand the result obtained from the investment seems poor than what was expected in increasing productivity and creating employment opportunities for the citizens. In order to use the land effectively and to mutually benefit both the investors and farmers of that location the managerial performance of the investment should be improved.

Therefore, the research isfocused to evaluate the performance of 2010- 2015 investment project management at Dukem,Oromia. It examines the movement of investment, its challenges and opportunities for the last five years.

1.3.Objectives of the study

1.3.1. General Objective

The main objective of this study is to know how much investment projects management have served investors and the society with a full capacity to improve the life of the community.

1.3.2. Specific Objectives

The following are the specific objectives of the study:

- To assess how investors, displaced farmers and the government played their role successfully.
- To determine the economic benefits and losses of the investment projects.
- To analyze the land management of investors and farmers before displacement.
- To recommend improved management system to project office.
- To provide a clue based on the data collected and research made for policy option to policy makers.

1.4. Research Questions

2. How and to what extent are investment projects successful at Dukemto meet their targets?
3. Does the investment policy and practices equally benefit investors and the local farmers?
4. How have the investments at Dukem increased socio-economic development for the local community?
5. What improved project management approach can be recommended?

1.5. Hypothesis of the study

The researcher hypothesize that variables which help explain variations in the level of private investment with respect to management.

Null hypothesis: The Researcher hypothesizes that land management and the performance of investment have no relationship.

Alternative hypothesis: The Researcher hypothesizes that land management and the performance of investment have high relationship.

1.6. Significance of the study

One of the investment areas around Addis Ababais Dukem, Oromia.From this study, it is expected to identify the performance of investment projects the economic gains and losses in detail and forwarding practical solutions for problems made especially for the study area and also an indicative for otherinvestment areas of the country.This research will be useful for investors, farmers and government offices to make decisions and manage land and other aspects of management accordingly.

1.7.Definition of Terms

Investment refers to buying financial or physical assets. It is the flow of spending that adds to the physical stock of capital.

Projects are often implemented as a means of achieving an organization's strategic plan. Operations and projects differ primarily in that operations are ongoing and repetitive while projects are temporary and unique. A project can thus be defined in terms of its distinctive characteristics- a project is a temporary endeavor undertaken to create a unique product or service.

Project management is the planning, organizing, directing, and controlling of company resources for a relatively short-term objective that has been established to complete specific goals and objectives.

Performance is a set of financial and non-financial indicators which offer information on the degree of achievement of objectives and results (Lebans&Euske, 2006).

1.8. Scope/ Delimitation of the study

The study was coveredinvestigating the status of investment projects accomplishment management in Dukem town.The research area coveredthe investment projects found in the town and the time assessed for this research is from 2010- 2015 years. The stated area is well known as Industrial corridors due to the fact that they are nearby the capital city of Ethiopia and have an access for the market to the capital city and export to abroad.

The researcher is very encouraged to study the performances of these investment projects how much benefited the investors, farmers, employees and the government as a whole.

1.9. Research method

Methodologies adopted in undertaking the study include document reviewing regarding the process undertaken to get land and the way of displacing farmers from their land. In this questionnaires had been designed for displaced farmers, investors and for investment and land management office officers and distributed to them. Visit was made to the site of investment organizations and homes of displaced farmers. In the visit field level data were collected through observations and discussions were carried out with the community in the surrounding area. After data have been collected, data were analyzed using software and interpretations have been made by the researcher.

1.10. Limitations of the study

This study has some limitations.Some farmers feared to tell their feelings and give full information from the bottom of their heart.It is geographically limited in Dukem town only due to theresearcher's resource and time constraints.

1.11. Organization of the study

This study is organized in five chapters. The first chapter contains the introduction of the study which includes background of the study, statement of the problem, objectives of the study, hypothesis, scopeof the study, research methods and limitations of the study. The second chapter contains review of related literature which includes theory of project management, the practice of project management in developed and developing countries, the investment function, challenges of the investment process, factors affecting economic development, the culture of saving and investment, performance of investment project implementation at Dukem, and policy and practice of investment project management. The third chapter contains the research approach and design, sources of data, data collection method, sampling techniquesand data collection procedure. The fourth chapter includes how Data was analyzed and interpreted by using SPSS software, statistical analysis of project management performance. The last chapter included the summary, conclusion and recommendation of the study.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

To do any research activity it is important to review what has been done on the area of the topic to have more theoretical knowledge and understanding related to the problem. To this effect, major issues related to performance investment project management raised by different researchers have been reviewed. Thus, this chapter deals with the definition of performance of investment project management, contribution and rationale for investment, then the factors that affects the performance of investment performance are addressed.

2.1. Theory of project management

Project management is the process of managing, allocating, and timing resources in order to achieve a given objective in an expedient manner. The objective may be stated in terms of time (schedule), performance output (quality), or cost (budget). It is the process of achieving objectives by utilizing the combined capabilities of available resources. Time is often the most critical aspect of managing any project. Time is the physical platform over which project accomplishments are made (Adedeji B et al, 2008).

So, it must be managed concurrently with all other important aspects of any project.

Project management covers the following basic functions:

1. Initiating
2. Planning
3. Executing
4. Controlling
5. Closing

The complexity of a project can range from simple, such as the painting of a vacant room, to very complex, such as the introduction of a new high-tech product. The technical differences between project types are of great importance when selecting and applying project management techniques. Figure 2.1 illustrates the various dimensions for the application of project management in an industrial system (Adedeji B et al, 2008).

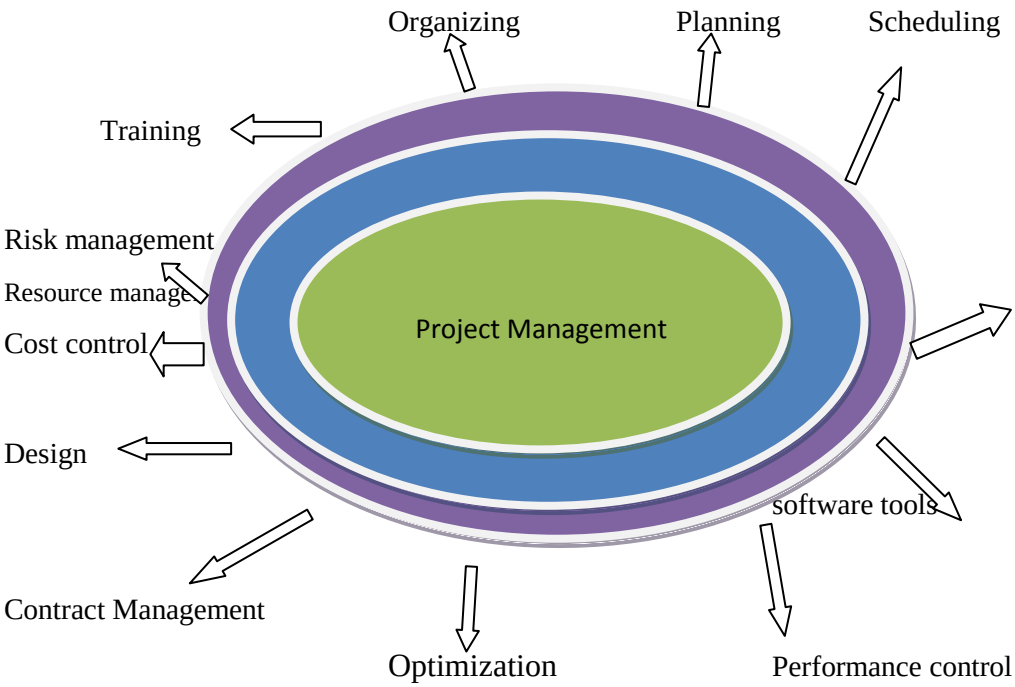

Figure 1: Dimensions of Project Management

Project management is more than techniques to complete projects on time, scope, and budget. Organizations by their very nature are political, so effective project managers need to become politically sensitive. Assessing the environment and developing an effective political plan help to address the power structure in an organization, identify critical stakeholder levels of impact and support, develop a guiding coalition, and determine areas of focus The Handbook of Project Management, Paul C. Dinsmore and Jeannette Cabinis-Brewin, 2006).

Because all projects involve change, project managers and team members find themselves involved in an organizational change process. To be ignorant about leading change can be costly to the organization and the individual. Instead of lamenting about a failed project, program, or initiative, it is possible to learn a proven approach to power, politics, and change that optimizes project success. Let's examine some specific steps that make a difference between success and failure in a political environment.

It takes wisdom and courage to engage in action and change an approach to project work. Instead of facing unknowns, resistance and chaos alone, prepare for a hero's journey. The approach shared below can help turn potential victim scenarios into win-win political victories.

Sooner or later all professionals find a leadership role thrust upon them, a team to lead, or a project to accomplish with others.

Greater success comes to those who define, develop, and/or refine a plan to be successful. These

people ultimately embrace the journey or process of changing an organization to be more efficient and more profitable by developing an organization-wide project management system, often called enterprise project management.

Wise persons choose a proactive path, employing a change management process, replete with requisite political skills, rather than wishing they had done so retrospectively.

The path includes many uncertainties. Luckily, modern project management provides effective strategies to reduce uncertainties throughout the project life cycle. Opportunity comes to those leaders who understand and meld scope management and change management processes with skills in selling, negotiating, and politicking (Adedeji B et al, 2008).

A common theme for success or failure of any organizational initiative is building a guiding coalition—a bonding of sponsors and influential people who support the change.

This support, or not, represents a powerful force either toward or away from the goal.

Gaining support means the difference between pushing on, modifying the approach, or exiting a path toward a new order of business. Moderate success may be achieved without widespread political support, but continuing long-term business impact requires alignment of power factors within the organization. Along the way, adapt effective concepts from nature to make organizations more project-friendly, which in turn leads to greater value-added, economically viable results (Paul C. Dinsmore and Jeannette C.Brewin, 2006).

Organizations attempting projects across functions, businesses and geographies increasingly encounter complexities that threaten their success. A common response is to set up control systems that inhibit the very results intended. This happens when we inhibit free flow of information and impose unnecessary constraints.

By contrast, taming the chaos and managing complexity are possible when stakeholders establish a strong sense of purpose, develop shared vision and values, and adopt patterns from nature that promote cooperation across cultural boundaries. These processes represent major change for many organizations.(Adedeji B et al, 2008)

An organic approach to project management acknowledges that people work best in an environment that supports their innate talents, strengths, and desires to contribute. Many organizational environments thwart rather than support these powerful forces in their drive to complete projects on time, on budget, and according to specifications.

Applying lessons from complexity science offers a different approach—one that seeks to tame the chaos rather than implement onerous controls. A key is to look for behavioral patterns and

incentives that naturally guide people toward a desired result. Results are similar to those of a successful gardener: combining the right conditions with the right ingredients creates a bountiful harvest. By ensuring that leadership, learning, means, and motivation are all present in appropriate amounts, the right people can employ efficient processes in an effective environment (Adedeji B et al, 2008).

Too late, people often learn the power of a non-guiding coalition. This happens when a surprise attack results in a resource getting pulled, a project manager is reassigned, or a project is cancelled. Getting explicit commitments up front, the more public the better, is important to implementing any change. It also takes follow through to maintain the commitment.

But if commitment was not obtained initially, it is not possible to maintain throughout. It all starts by investigating attitudes and assessing how things get done (Paul C. Dinsmore and Jeannette C. Brewin, 2006).

By the 1990s, companies had begun to realize that implementing project management was a necessity, not a choice. The question was not how to implement project management, but how fast could it be done? Design, Monitoring and Evaluation as part of project management cycle are inter-related and interdependent. They are fundamentally linked together. Using one by itself does not guarantee sound, relevant and impactful program Design, M&E- nor, for that matter, does using them in conjunction with one another. The quality in which the principles are applied and interlinked in the design, matters. Indeed, the use of multiple tools in conjunction with one another to verify, reinforce and adapt Design, M&E to the dynamic environment is common (UNDP,2009).

The typical life-cycle phases that an organization goes through to implement project management. In the first phase, the Embryonic Phase, the organization recognizes the apparent need for project management. This recognition normally takes place at the lower and middle levels of management where the project activities actually take place. The executives are then informed of the need and assess the situation.

There are six driving forces that lead executives to recognize the need for project management:

- Capital projects
- Customer expectations
- Competitiveness
- Executive understanding

- New project development
- Efficiency and effectiveness

Manufacturing companies are driven to project management because of large capital projects or a multitude of simultaneous projects. Executives soon realize the impact on cash flow and that slippages in the schedule could end up idling workers.

Companies that sell products or services, including installation, to their clients must have good project management practices. These companies are usually non–project-driven but function as though they were project-driven. These companies now sell solutions to their customers rather than products. It is almost impossible to sell complete solutions to customers without having superior project management practices because what you are actually selling is your project management expertise (Harold Kezner, 2003).

There are two situations where competitiveness becomes the driving force: internal projects and external (outside customer) projects. Internally, companies get into trouble when the organization realizes that much of the work can be outsourced for less than it would cost to perform the work themselves. Externally, companies get into trouble when they are no longer competitive on price or quality, or simply cannot increase their market share.

Executive understanding is the driving force in those organizations that have a rigid traditional structure that performs routine, repetitive activities. These organizations are quite resistant to change unless driven by the executives. This driving force can exist in conjunction with any of the other driving forces.

New product development is the driving force for those organizations that are heavily invested in R&D activities. Given that only a small percentage of R&D projects ever make it into commercialization where the R&D costs can be recovered, project management becomes a necessity. Project management can also be used as an early warning system that a project should be cancelled (Harold Kezner, 2003).

Efficiency and effectiveness, as driving forces, can exist in conjunction with any other driving forces. Efficiency and effectiveness take on paramount importance for small companies experiencing growing pains. Project management can be used to help such companies remain competitive during periods of growth and to assist in determining capacity constraints(Harold Kezner, 2003).

Because of the interrelatedness of these driving forces, some people contend that the only true driving force is survival. When the company recognizes that survival of the firm is at stake, the

implementation of project management becomes easier.

The speed by which companies reach some degree of maturity in project management is most often based upon how important they perceive the driving forces to be. Non–project-driven and hybrid organizations move quickly to maturity if increased internal efficiencies and effectiveness are needed.

Competitiveness is the slowest path because these types of organizations do not recognize that project management affects their competitive position directly. For project-driven organizations, the path is reversed. Competitiveness is the name of the game and the vehicle used is project management (Harold Kezner, 2003).

Once the organization perceives the need for project management, it enters the second life-cycle phase, Executive Acceptance. Project management cannot be implemented rapidly in the near term without executive support. Furthermore, the support must be visible to all.

The third life-cycle phase is Line Management Acceptance. It is highly unlikely that any line manager would actively support the implementation of project management without first recognizing the same support coming from above. Even minimal line management support will still cause project management to struggle.

The fourth life-cycle phase is the Growth Phase, where the organization becomes committed to the development of the corporate tools for project management. This includes the project management methodology for planning, scheduling, and controlling, as well as selection of the appropriate supporting software. Portions of this phase can begin during earlier phases (Harold Kezner, 2003).

The fifth life-cycle phase is Maturity. In this phase, the organization begins using the tools developed in the previous phase. Here, the organization must be totally dedicated to project management. The organization must develop a reasonable project management curriculum to provide the appropriate training and education in support of the tools, as well as the expected organizational behavior (Adedeji B et al, 2008).

By the 1990s, companies finally began to recognize the benefits of project management.

Recognizing that the organization can benefit from the implementation of project management is just the starting point. The question now becomes, “How long will it take us to achieve these benefits?” In the beginning of the implementation process, there will be added expenses to develop the project management methodology and establish the support systems for planning, scheduling, and control.

Eventually, the cost will level off and become pegged (Harold Kerzner, 2003). The rapid rate of change in both technology and the marketplace has created enormous strains on existing organizational forms. The traditional structure is highly bureaucratic, and experience has shown that it cannot respond rapidly enough to a changing environment. Thus, the traditional structure must be replaced by project management, or other temporary management structures that are highly organic and can respond very rapidly as situations develop inside and outside the company.

Organizational theory and management philosophies have undergone a dramatic change in recent years with the emergence of the project management approach to management. Because project management is an outgrowth of systems management, it is only fitting that the underlying principles of general systems theory be described. Simply stated, general systems theory can be classified as a management approach that attempts to integrate and unify scientific information across many fields of knowledge. Systems theory attempts to solve problems by looking at the total picture, rather than through an analysis of the individual components. General systems theory has been in existence for more than four decades. Unfortunately, as is often the case with new theory development, the practitioners require years of study and analysis before implementation. General systems theory is still being taught in graduate programs.Today, project management is viewed as applied systems management (project management: A systems approach to planning, scheduling and controlling (Harold Kezner, 2003).

2.2. Global practice of Project Management

2.2.1. In developed countries

Historically, the definition of success has been meeting the customer's expectations regardless of whether or not the customer is internal or external. Success also includes getting the job done within the constraints of time, cost, and quality. The developed countries by using this standard definition, success are defined as a point on the time, cost, and quality/performance grid. But how many projects, especially those requiring innovation, are accomplished at this point?

Very few projects are ever completed without trade-offs or scope changes on time, cost, and quality. Therefore, success could still occur without exactly hitting this singular point. In this regard, success could be defined as a cube. The singular point of time, cost, and quality would be a point within the cube, constituting the convergence of the critical success factors (CSFs) for the project (Harold Kezner, 2003).

Our starting point is that there are likely to be management practices that are, on average, "good"

for firm productivity. Organizations where managers are of high quality or supply effort that is more effective will tend to have better managerial practices. This notion underlies the Lucas [1978] model of firm size and Mundlak's [1961] discussion of firm fixed effects. It is also inherent in benchmarking exercises that are ubiquitous in the business world.

In search of a promising security, investors with a fundamentalist orientation begin by estimating the prospects for the industrial sector of which the firm is part. They consider such factors as average operating costs, competition within the industry, import competition, future tax regulation and deregulation. Then they assess specifics for the firm: future sales, strength of the company's present products, market share, and profit growth potential (Michael C.& Jae K. Shim, 2006).

In projects Performance evaluation is one of the most challenging HR functions in Turkey. Tools used for measuring PM in Turkey: Total Quality Management, It is a firm-wide management philosophy of continuously management (TQM) improving the quality of the products by focusing on customers' needs & expectations to enhance their satisfaction & most firm's performance. Turkish Manufacturing companies and Industry use it for improving customer satisfaction, quality of products and/or services, productivity, employee. However, most of these Turkish firms face performance, market share, etc. Some obstacles in its efficient application like employee involvement, inadequacy of the firm structure, lack of firm's resources, illiteracy & in most Turkish unawareness among employees, etc.

Performance management is the practice of actively India using performance data to improve an organization's performance. It involves strategic use of performance measures & standards to establish performance targets & it is also needed to prioritize and allocate resources goals. Inform managers about the needed adjustments or changes in policy or program directions to meet goals, frame reports on the success, and improve the overall PMS is a complete work system that begins when a job is quality of work. Defined as needed and ends when the employee performs according to the standards. It aims to achieve the company mission and vision. PMS sets new employees up to succeed, so they can help the organization it succeeds. Tools used for measuring PM in India: a) KRA Oriented Measurement is the method of evaluating an employee's performance on the basis of Key Result Areas framed mutually among him & these KRAs are often framed the manager at the year's starting, revised throughout the year based on changing. It gives a clear picture to conditions, and measured accordingly at year end. It is the most widely accepted supervisor, subordinates, peers and customers & applied as it provides the feedback on

an employee from all angles of his work performance. b) Total Quality Management has organization-wide efforts to install & instill a climate in which anorganization continuously improves its ability to deliver high-quality products and services to customers. c) It is the process of comparing one's business processes and benchmarking performance metrics to industry bests or best practices from other companies. It is used to measure performance using a specific indicator (cost per unit of measure, productivity per unit of measure, etc.) resulting in a metric allows organizations to performance that is then compared to others develop plans on how to make improvements or adapt specific best practices(Michael C. & Jae K. Shim, 2006).

China Project Performance management is an elusive concept meaning different things to different people. The concept may be narrowly defined as a process incorporating various modern management tools and techniques. Focusing on performance management in its narrow or strict sense, we may say that virtually all components of performance management can be found in practice in one place or another in China. These include not only management tools such as strategic management, performance measurement, program evaluation, total quality management, quality accreditation (such as ISO 9000), and public-private partnerships, but also management tools that may more appropriately be seen as fads, such as best practice benchmarking, business process re-engineering, balanced score-cards, and service delivery innovations applied mainly in the public sector (for example, one-stop shops and the Citizen's Charter initiative). Performance management may also be defined as "managing for performance", or the systematic and integrated efforts to improve organizational performance. In addition to the set of tools and techniques mentioned above, performance management in this broad sense also covers a variety of activities ranging from reorganization of public agencies to service delivery reforms. Tools used for the BSC model is a strategic measuring PM in India: a) Balanced Scorecard measurement tool and management system that translates an organization's mission. The employees of Chinese companies however incorporate this method differently. & managers primarily decide & set mutually the Key Performance Indicators (KPIs) at the Employee's joining or at year's starting. According to the framed KPIs, the employees are allocated the different measures. The Chinese believe that such to fit their performance into the BSC Model. System results in an efficient & specialized workforce. And as they with their managers clearly know the expectations & metrics of performance (Michael C. & Jae K. Shim, 2006).

Most Chinese firms are adopting best Modern Improvements practice approaches today for the

design and deployment of their enterprise PMS, by articulating their organizational value driver before getting into debates about what & also stressing the importance of how to measure. Communication in their theories of how their organizations work. Employees are being encouraged to suggest & develop new models of communication to enhance employees are also being encouraged to test and challenge the transparency causal models. Using the data they collect through their Enterprise PMS, Chinese firms can test the validity of their theories about their business' value Most Chinese firms today are investing in developing the skills of drivers their people and the infrastructure, thereby ensuring they have the organizational capability to make best use of their Enterprise PMS(Michael C. & Jae K. Shim, 2006).

2.2.2. Project management practices in developing countries

In developing countries most projects are not managed by professional and the result obtained from this type of management system is a failure. Why was project management so difficult for companies to accept and implement? Historically, project management resided only in the project driven sectors of the marketplace. In these sectors, the project managers were given the responsibility for profit and loss, which virtually forced companies to treat project management as a profession. Political leaders' prefer for the status quo rather than accepting changes. Often this preference was based upon what was in the executives' best interest rather than the best interest of the organization. It was also common for someone to attend basic project management programs and then discover that the organization would not allow full implementation of project management, leading to frustration for those in the lower and middle levels of management. Therefore, most projects in developing countries did not meet the planned cost, time and qualities (Harold Kezner, 2009).

In Ghana, the promulgation of the Public Procurement Act, 2003 (Act 663) (Public Procurement Authority, 2010), and the enforcement of the regulations thereof, has vastly improved the execution of projects. The successful Closure of a project is linked to the efficiency of the monitoring and evaluation stage. The quality and success of a project is judged not just by the achievement of project specifications and timeliness of the delivery, but also by the perception of the various stakeholders. Thus, upon the completion of a project, the onus lies on the project manager to ensure that the project meets the specifications of the sponsor within the constraints of scope, time, cost and quality, before handing over to the stakeholders. This is necessary not only for donor sponsored projects since they tend to have a higher standard, but also for government and private sector projects as well (Daniel F.Ofori, 2013).

2.3. Project success

What does project success mean? In an era when projects have become increasingly common in organizations, this question is more relevant than ever. In almost all cases projects are initiated to create change—to develop new products, establish new manufacturing processes, or create a new organization. Without projects, organizations would become obsolete and irrelevant, and unable to cope with today's competitive business environment. Thus, no matter what the motivation for the project, the question of project success is strongly linked to an organization's effectiveness and to its success in the long run. Yet, ironically, the conceptual understanding of project success is still an evolving issue (Paul L. Bannerman, 2008).

Project success has not been typically linked to competitive advantage and winning in the market-place; and different people still perceive project success in different ways. Project management literature published by different project organization and Project management institute has also been quite divided on this idea. There are still no accepted standard or frameworks for assessing project success (Paul L. Bannerman, 2008).

What, indeed, does project success mean? Is there more than one way to evaluate project success, and should the same rule apply to all projects? One of the most common and traditional approaches to project success has been to consider a project successful when it has met its time, budget& quality/scope. Although this may seem true in some cases and appropriate in the short run when time to market is critical there are many examples where this approach is simply not enough. Quite often, what seemed to be a troubled project, with extensive delays and overruns, turned out later to be a great business success. The construction of the Sydney Opera House, This project took three times longer than anticipated and cost almost five times higher than planned. But it quickly became Australia's most famous landmark, and no tourist wants to leave Australia without seeing it. Similarly, Microsoft's launch of its first Windows software suffered substantial delays and required a continuous flow of resources and additional staff. However, from the moment of its introduction, it became an enormous source of revenue for the company, and more than 90% of all PCs in the world now use the Windows operating system. And prior to the development of its hit product, the Macintosh, Apple Computers had experienced the business disappointment of the Lisa computer. But Apple managers later acknowledged that, without the technologies developed and lessons learnt during the Lisa project, the Macintosh success would not have happened (Paul L. Bannerman, 2008).So what does project success really means how can it be best defined to serve organizational interests most appropriately?

Project Success: A Multi-Level Framework

Much work has already been done in researching project success, but the main objective of different research is often to unlock the drivers of project success rather than establish a common framework for determining whether a project is successful or failed.

Projects are part of the strategic management in organizations: Their benefits are many-sided and their goals must be set in advance to better help the organization meet its short- and long term objectives.

The interest of different research was to develop a multidimensional framework for the assessment of project success. Such a framework would be tied to the strategic management of the organization and to top-level decisions on project selection and project initiation. So that the framework would help project managers and business organizations see the different values gained from project execution, and focus their day-to-day operation(Paul L. Bannerman, 2008).

Success is meant different things to different people. An architect may consider success in terms of aesthetic appearance, an engineer in terms of technical competence, an accountant in terms of dollars spent under budget, a human resources manager in terms of employee satisfaction. Chief executive officers rate their success in the stock market.

Gaddis (1959) defined a project as "an organization unit dedicated to the attainment of a goal generally the successful completion of a developmental product on time, within budget, and in conformance with predetermined performance specifications". In the three-element form, this criterion is variously called the triple constraint, iron triangle, or three-legged stool of project management. Other variants include all four elements as the project diamond or four-legged stool. Scope is less clearly defined than time or cost, referring to the extent to which the main deliverable was completed against specification or whether all intended activities and phases of the project were completed. Quality is often assessed, post hoc, against established industry or subjective criteria. The conventional approach is that an assessment of performance is made in a post project review based on whether the project was completed "on time, within budget and to specification." If each was achieved within a narrow range of tolerance then the project is deemed a successliterature (Paul C. Dinsmore and Jeannette C. Brewin, 2006).

This criterion is of particular interest to stakeholders with vested interests in the project vehicle itself, such as the project manager, project team, and project governance stakeholders. This classic criterion remains the most widely used measure of project success. Its main value is in offering a simple, direct measure of performance of a project and the project management

expertise applied to complete the project within the bounds of the most immediate design parameters (time, cost, and scope). However, it has major limitations. Most critically, it focuses on the means rather than the ends of the investment from the organizational perspective. It takes limited or no account (depending on how scope is defined and measured) of whether the main project deliverable fulfilled the purpose for which it was intended and whether the objectives of the project's investors were achieved (Paul C. Dinsmore and Jeannette C. Brewin, 2006).

If we assume that a project is an end in itself, then its success can be determined at closeout stage. However, if it is a means to an end, then its outcome can only be measured at some time after the formal project has completed. This permits the entry of other events and influences into the perception of project success that may not be a realistic reflection on the achievements of the original project.

To unlock this issue of defining project success, we review how the problem has been approached in the literature as input to proposing an integrated multilevel project success framework as a way forward. Project success has attracted much attention in the research and practice literature (Paul C. Dinsmore and Jeannette C. Brewin, 2006).

Generally, the successful completion of a developmental product on time, within budget, and in conformance with predetermined performance specifications". In the three-element form, this criterion is variously called the triple constraint, iron triangle, or three-legged stool of project management. Other variants include all four elements as the project diamond or four-legged stool. Scope is less clearly defined than time or cost, referring to the extent to which the main deliverable was completed against specification or whether all intended activities and phases of the project were completed. Quality is often assessed, post hoc, against established industry or subjective criteria. The conventional approach is that an assessment of performance is made in a post project review based on whether the project was completed "on time, within budget and to specification." If each was achieved within a narrow range of tolerance then the project is deemed a success. This criterion is of particular interest to stakeholders with vested interests in the project vehicle itself, such as the project manager, project team, and project governance stakeholders (Paul C. Dinsmore and Jeannette Cabinis-Brewin, 2006). .

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on the means rather than the ends of the investment from the organizational perspective. It takes limited or no account (depending on how scope is defined and measured) of whether the main project deliverable fulfilled the purpose for which it was intended and whether the objectives of the project's investors were achieved. For example, it is not unusual, especially in IS projects, for a project that is late, over budget and/or under-delivered against specifications to be declared a success, because it still delivered a benefit to the client/users and/or to the investing business. This suggests the need for two additional success criteria: measures of project deliverable or product success and business success (Paul L. Bannerman, May, 2016).

Success is one of the ultimate goals of any project endeavor. Thus, clarifying the meaning of success is a vital step in achieving the desired success. The classic criterion from practice is a measure of the immediate performance of a project against its main design parameters schedule (time), budget (cost), scope, and/or quality which the literature tends to call a measure of project management success. This definition was already established in the earliest discussion of projects in the management literature. Gaddis (1959) defined a project as "an organization unit dedicated to the attainment of a goal generally the successful completion of a developmental product on time, within budget, and in conformance with predetermined performance specifications" (p. 98). In the three-element form, this criterion is variously called the triple constraint, iron triangle, or three-legged stool of project management. Other variants include all four elements as the project diamond or four-legged stool. Scope is less clearly defined than time or cost, referring to the extent to which established industry or subjective criteria. The conventional approach is that an assessment of performance is made in a post project review based on whether the project was completed "on time, within budget and to specification." If each was achieved within a narrow range of tolerance then the project is deemed a success. This criterion is of particular interest to stakeholders with vested interests in the project vehicle itself, such as the project manager, project team, and project governance stakeholders. This classic criterion remains the most widely used measure of project success. Its main value is in offering a simple, direct measure of performance of a project and the project management expertise applied to complete the project within the bounds of the most immediate design parameters (time, cost, and scope). However, it has major limitations. The main deliverable was completed against specification or whether all intended activities and phases of the project were completed (Paul L. Bannerman, May, 2016).

The success of projects is a field around which a wide range of theories have developed. In order to define success it is necessary to clarify, a) exactly in which moment of the life cycle of the

project the success is perceived and b) the stakeholder who judges the outcome of the project.

Most of researchers confuse the concepts that are related to the success of a project: a) the project success, b) the project success criteria and c) the critical success factors. Turner (2007) notes that first of all the critical success factors were introduced, then frameworks of success were developed and finally models of success were formed. Consequently, there are distinct differences as analyzed in the concepts below:

The first attempt to define success was carried out in 1960 (Kernzer, 2001) associated with the achievement of the "traditional gold triangle": a) the time b) the budgeted cost and c) the designed quality and performance of project deliverables and restricted in this frame for many years. Gradually the success was redefined and associated with concepts as: the effectiveness of administration of project management processes, the customers' satisfaction of project's deliverables, and the creation of adding value to the enterprise (the meeting of stakeholder's satisfaction and the achievement of scope of the project (Lock, 2007). Common basis to all the above approaches is the correlation of success with the unit of time, discriminated in micro level (during the development of project) and macro level (after the completion of the project). IPMA (2006) assesses that success is met in a proper evaluation of project deliverables and the completion within the required timeframes and within available financial resources. Each stakeholder's judgment to the deliverables of the project is not of paramount importance to success' judgment is the views of three main stakeholders: project's owner, project's administrator and project's end user client (Harold Kerzner, 2009).

Industrialization is seen as a motor behind many of the processes usually termed social transformation and modernization, (UNIDO, 2003). From this definition, the following features can be isolated as the important characteristics of industrialization; first, it is not a one time or sudden occurrence but rather a sustained process; second, it brings about structural changes or transformations of national economy, especially, in the composition of output and the pattern of employment; and third, it requires the application of modern science and technology to the production process. It is, therefore, an inescapable part of the process of change for the improvement of per capita income of nation. It leads to changes in traditional structure of an economy. The key dynamic role of this process is played by the manufacturing sector (Alfaro L, Charlton A, 2009).

Ethiopia has a total population of more than 85 million in 2011 " Ethiopia is a Federal Democratic Republic composed of 9 national regional states: Tigray, Afar, Amara, Oromia,

Somali, Benushangul-Gumuz, Southern Nation and Nationalities, Gambella, Harari, and two Administrative states Addis Ababa and Dire Dawa" (CSA, 2011). It is now more than two decades since Ethiopia started to build a market economy after 17 years (1974-1991) of a state centered and controlled economy.

Numerous macroeconomic reforms have been implemented with the objective of achieving macroeconomic stabilization and growth since 1991. The macroeconomic reforms include privatization of state owned enterprises, liberalization of trade policy, reduction of import tariff rates, elimination of non-tariff barriers, devaluation and deregulation of price and exchange rate controls (UNCTAD, 2002).

The growing concern towards the development of the private sector necessitated the formulation of appropriate government policies geared towards the development of the private sector. This phenomenon resulted to what came to be known as privatization. This urge to develop the private sector led the Ethiopian government to embark on after the downfall of Derg regime in 1984 E.C. to privatization of some public enterprises. The bureaucratization of management, the shifting of initiatives, the lack of proper disciplines and the self-correcting mechanisms, which the market economy imposes, saw the need for invigorating the private sector as a way forward to enhance the achievement of the required growth target of these economies.

In this regard, it needs a successful policy strategy that requires the promotion of an investment-friendly environment through the development of public infrastructure, human capital and research and development (R&D) to increase the efficiency of production in the sector. Therefore, these would contribute to enhance capital formation and achieve the sustainable economic growth amid at country wide through promoting the backward and forward linkages of manufacturing with agriculture and other sectors (Urgaia R, 2007).

The paradigm shift would also strengthen current efforts to develop productive capacities in the LDCs — such as in policies to improve their investment climate through:

- Macroeconomic policies oriented to promoting growth, investment and employment;
- A multi-level approach which not only seeks to set the framework institutions and macroeconomic environment, but also includes policies to change meso-level production structures and institutions, as well as micro-level capabilities and incentives;
- An active approach to promoting entrepreneurship;
- A strategic approach to global integration in which the speed and degree of liberalization in

different economic spheres take account of the goal of developing productive capacities (Developing productive capacities, 2010).

Investment is the volatile component of aggregate demand. While smaller in magnitude than consumption, it fluctuates more. And through the multiplier process its fluctuations in total output and income.

2.4. Investment Incentives, Guarantees and Protection in Ethiopia

2.4.1. Investment guarantees and protections

The constitution and other laws of the country protect private property. Investment Proclamation No. 769/2012 says, the encouragement and expansion of investment especially in the manufacturing industries has become necessary so as to strengthen the domestic production capacity and there by accelerate the economic development of the country and improve the living standard of its people. The proclamation further states that by supporting a foreign investor have the right to make the following remittances out of Ethiopia in convertible foreign currency: Profit and dividends, Principal and interest payments on external loans, Payments related to technology transfer agreements, Payment related to collaboration agreements, Proceeds from the sale or liquidation of an enterprise, Compensation paid to an investor and Proceeds from the sale or transfer of shares or partial ownership of an enterprise to domestic investor.

Moreover, to make the growth of industry sustainable and effective in the country, Ethiopia became member of the:

- Multilateral Investment Guarantee Agency (MIGA), A World Bank affiliate, which issues guarantee against non-commercial risks in signatory countries.
- World Intellectual Property Organization.

In addition, the country has signed double taxation avoidance treaties with Algeria, Romania, Czech Republic, Russia, China, Seychelles, Egypt, South Africa, France, Sudan, India, Tunisia, Israel, Turkey, Italy, United Kingdom, Kuwait and Yemen.

2.4.2. Investment Incentives

The Council of Ministers Regulations No. 270/2012, the amendment incentive and investment areas regulation No. 312/2014 and investment Proclamation No. 719/2012 specifies the areas of investment eligible for investment incentives,

The areas of investment eligible for investment incentives include: Tax incentives, Import duty exemptions, Tax holidays, etc. that promote priority sectors, particularly where these sectors face handicaps such as the currently inadequate trade logistics.

2.4.2.1. Fiscal Incentives

Based on the mentioned regulations and proclamation the following incentives are given to investors. To encourage private investment and promote the inflow of foreign capital and technology in to Ethiopia the following customs duty exemptions are provided for investors (both domestic and foreign) engaged in eligible new enterprises or expansion projects.

- An investor granted with a custom duty exemption will be allowed to import spare parts duty free within five years from the date of commissioning of a project.
- An investor entitled to a duty free privilege buys capital goods or construction materials from capital goods or construction materials from local manufacturing industries shall be refunded customs duty paid for new materials or components used as inputs for the production of goods and
- Investment capital goods imported without the payment of custom duties and other taxes levied on imports may be transferred to another investor enjoying similar privileges.
- If an investor engaged in new manufacturing industries shall be entitled to an income tax deduction of 30% for three consecutive years after the expiry of the income tax exemption period.
- An investor to expand or upgrading his existing enterprise increasing in volume at least by 50 percent of attainable production or service rendering line at least by 100 percent of an existing enterprise is entitled to the income tax exemption period.
- An investor who exports 60 percent his products or services or supplies to an exporter shall be exempted for additional 2 years.

2.4.2.2. Non-fiscal Incentives

The non-fiscal incentives given to all exporters who invest to produce export products will be allowed to import machinery and equipment necessary for their investment projects through supplier's credit.

2.5. Factors of Performance Measurement

In one sense the management of investment performance is the last stage of the investment management process; in another sense it is simply part of a continuing operation.

An investor who pays someone to actively manage portfolio, in the hope of achieving superior performance, has every right to insist on knowing what sort of performance is actually obtained. Such information can be used to alter the constraints placed on a manager, the objectives stated

for the account, or the amount of money allocated to the manager. An investment manager, by measuring and diagnosing his or her own performance, can help isolate sources of strength or weakness.

Many investment management organizations measure the performance of individual employees and departments for internal purposes. The most widely publicized type of measurement is that used for external reporting to clients. Such bottom-line measurement is concerned primarily with the results obtained by the organization as a whole, with little concern for the manner in which the results were produced. Some investment managers routinely measure their own performance in this way (William F. Sharpe, 1985).

Research on performance measurement has gone through many phases in the last 30 years; initially they were focused mostly on financial indicators; with time, the complexity of the performance measurement system increased by using both financial as well as non-financial indicators. Since the late 1980s, researchers, consulting firms and practitioners have stressed the need to put an increased emphasis on non-financial indicators in performance measurement process.

Performance itself is likely to be somewhat firm specific as the strategic choices a firm makes will dictate which performance measures will reflect the latent performance construct (Steers, 1975). Understanding how different independent variables link to a dependent performance variable is then no longer trivial (March & Sutton, 1997). Assuming away this dimensionality will lead to misdirected or biased measurement. From a measurement perspective, it is unlikely that changing strategies leaves the dimensionality of the performance indicators unchanged. Because different strategies relate to different dimensions of performance, so they also alter the way these performance dimensions load onto the latent construct.

The impact of the performance measurement process on the organizational performance was the objective of many studies in the last few years, driven by the desire to identify whether the way in which performance is measured has a great significant and positive impact on organizational performance (Tesfaye, 2015).

2.6. The investment function

The firm’s investment demand function tells how much capital equipment the firm will purchase given its planned level of output and rental price of capital. If the firm has been in business for a while, it will have an existing stock of capital at the beginning of the year examining the planned

level of output and the rental price of capital, it will decide on a level of capital to use during the year. Finally, it will purchase enough new capital to make up the difference (Robert J. Barro, 1998).

The Harrod-Domar model developed in the 1930s suggests savings provide the funds which are borrowed for investment purposes

The Economy's rate of Growth depends on (forHarrod):

The level of saving and the savings ratio the productivity of investment i.e. economy's capital-output ratio

Economic growth rate= s/v= savings rate divided by capital output ratio

For Domar growth rate in investment equals to: $\frac{\Delta I}{I} = s.\delta$

- Growth in an economy depends upon the natural resources, labor, technology, inventions, savings, capital, and investment.
- Developing countries have an abundant supply of labour. So it is a lack of physical capital that holds back economic growth hence economic development.
- More physical capital generates economic growth.
- Net investment (i.e. investment over and above that needed to replace worn out capital (deprecation) leads to more producer goods (capital appreciation) which generates higher output and income.
- Higher income allows higher levels of saving.

The Harrod-Domar model in the early postwar times was commonly used by developing countries in economic planning.

- With a target growth rate, the required saving rate is known.
- If the country is not capable of generating that level of saving, a justification or an excuse for borrowing from international agencies can be established.
- Harrod introduced the concepts of warranted growth, natural growth, and actual growth
- Harrod model is a model of growth (not for development) and is relevant for developed countries which have already attained full employment

Assumptions

1. There are adequate amount of savings and capital in the economy:

   The economy can produce any amount of savings and capital if required without any problem.

2. Efficient supply of labor and natural resources: Country under consideration is supposed to have sufficient supply of both labor and natural resources.
3. The prevalence of full employment of labor and full utilization of productive capacity
    - The economy is also assumed to operate on its production possibility frontier.
    - Resource reallocation from one production sector to the other cannotlead to increase in overall output or to economic growth.
    - Economic growth has to come from other sources.
4. Price level, interest rates and capital output ratio are constant
    - The model assumes a short run period in which prices and interest rates can be taken as stable.
    - Labor and capital growth rates are equal leading to a constant labor capital ratio
5. No government interference in the economy(fiscal, monetary and incomes policy are all neutral)
    - His model is based on the assumption of free capitalist economy where the role of the government is minimized to regulatory role.
    - Government is not supposed to use active fiscal, monetary and incomes policies to change the level and nature of economic growth.
6. The economy is assumed to be closed economy: To simplify his model, Harrodassumed the economy to be a closed one.
7. Average and marginal propensity to save remains the same
    - The rate of change in saving due to a change in income remains the same.
    - Consumption on average will remain constant or it is stable.
8. Depreciation is assumed to nearly zero.
9. Employers desire to be in equilibrium
10. Harrod model is meant for developed countries which are highly industrialized
11. There are no rigidities in the market

The economy adjusts instantly to changes in economic conditions. Generally, according to the Harrod model, economic growth rate depends on factors like availability natural resources, skilled labor, capital, innovations, savings, and investment(Harold Kerzner, 2003).

There was no necessary reason for actual growth to equal natural growth

- No inherent tendency for the economy to reach full employment.
- The second problem implied by Harrod's model was the existence of unstable growth.

- If companies adjusted their investment according to their expectations of future demand, and
- The anticipated demand occurred; warranted growth would equal actual growth.

But if actual demand exceeded anticipated demand, they would have underinvested and would respond with further investment.

- This investment would itself cause growth to rise, requiring even further investment, resulting in explosive growth.
- But if the actual demand falls short of anticipated demand, the result would be a deceleration of growth.

This became known as Harrod's knife-edge— between too much and too little growth

The "knife-edge" means that the economic growth path is unstable, in that slight shock to the system lead to instabilities that are self-reinforcing rather than self-correcting (Harold Kerzner, 2003).

2.7. Challenges of the investment process

The economic policies pursued by states differ from country to country and from time to time in relation to the role and scope of the state and the private sector in the overall development strategies. Despite the divergence in the scope allocated to each, it has not been contested that both have a share in the economic sector. Whatever the economic ideology may be, the regulatory power of the state over the economic activities in its jurisdiction has not been contested but only the scope it should assume. In line with this accepted principle, states formulate and pursue policies and laws so as to regulate the investment activities in their jurisdiction. Many countries now have laws controlling investment (Zvi Bodies et al, 2007).

Limitations on outward and inward investment are imposed by these governments in an overall effort to regulate the domestic economy. Restriction policies may vary dramatically from country to country. In general, states determine who can invest in what sector? And upon what conditions? In other words investment limitations may take the form of total or partial exclusion of all or some category of private investors from all or some sectors of the economy based on certain parameters, which we may call it sector based restriction; and in cases where the sectors are open to the specified category of investors, the state may use its regulatory power to subject investment in such sectors to be contingent upon compliance with certain conditions which generally encompasses all regulatory measures that could have actual or potential impact on investment in the sector. Investment limitations based on economic sectors are probably the most common forms of limitations. Based on the governments' economic policy, some investment

areas are totally closed to private investment either domestic or foreign. Investment laws often determine areas reserved for the government, domestic investors and foreign investors as well as areas in which they might participate only in joint venture. According to Jeswald W. Salacuse, the basic considerations include: national security, protection of strategic industries and the need to control the commanding heights of the economy (Zvi Bodies et al, 2007).

The basic factors affecting individual investors usually arise from that investor's stage in the life cycle. The first significant investment decision for most individuals concerns education, which is an investment in human capital. The major asset most people have during their working years is the earning power derived from their skills. For these people, the financial risk due to illness or injury is far greater than that associated with the rate of return on their portfolios of financial assets (Zvi Bodies et al, 2007).

According to the dominant theory, the foreign investor's wish list can be boiled down to two essential items: efficiency and uncertainty. It is argued that the ideal legal system for attracting FDI is efficient. An inefficient legal system increase transaction costs by failing to provide cheap mechanisms for enforcing legal rights and obligations. Legal systems that fail to provide credible information regarding the status of legal rights and obligations must be reformed in order to create greater certainty for foreign investors. A legal system is most likely predictable where the laws are stable, accessible and clear; the discretionary powers of the state (including its bureaucrats) are limited; corruption is low; and powers are separated among branches of government particularly through the creation of independent judiciary. This type of legal system can be described as the Ideal Paradigm (Perry, 2000).

The Ethiopian government is the most privileged investor followed by domestic investors and foreign investors taking the threshold favorable treatment. The investment proclamation No.280/2002 of Ethiopia opens more areas of investment for private investors or at least allows joint venture with the Government, which were under exclusive domain of the government (Getnet, 2010).

2.8. Factors affecting economic development

Based on investment theories and research studies indicated the high rate of investment is a necessary condition for the high rate of growth in GDP. An investment can affect an economic development though

- The increment of the country's GDP
- Create work opportunities

- Enhance production
- Increase capital income
- Transferring new technologies
- Innovation and training, infrastructures like Roads, ports, Telecommunication and others.

The regulation is issued by the council of Ministers pursuant to Article 5 of the Definition of powers and duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 691/2010 and Article 39 of the Investment Proclamation No. 769/2012.

The level of investment in any economy depends, to a large extent, on macroeconomic stability and the confidence of investors about the future outlook of the economy. Though economic growth on its own is a key macroeconomic objective, its means of financing may have serious repercussions to macroeconomic stability. In order to achieve fast growth governments may end up running fiscal deficits. The sources used to finance such deficits may prove to be inflationary.

Among the variables which affect the economic environment of a business firm, business cycles have received considerable attention from the economists. Business cycles refer to fluctuations in income employment, output and prices, all used in aggregative sense. Four phases of a business cycle are: prosperity, recession, depression and revival. There are many theories and principles explaining the periodicity, duration, intensity and phasing of a trade cycle. Among the pre-Keynesian theories, role of monetary factors, over-investment and under consumption are stressed.

Keynes explained business cycles in terms of erratic nature of marginal efficiency of capital. Another explanation runs in terms of the lagged adjustments of demand and supply: this is the Cobweb theorem. In the context of post-Keynesian explanations, a number useful concept has been developed, e.g. acceleration and capital stock adjustment principles. Samuelson's model provides a scientific explanation of a trade cycle in terms of interaction between multiplier and accelerator. More recently, Hicks and Mathews have attempted explanation of full employment ceiling and lower turning point. The behaviors of inventory investment and of fixed investment in house-building in the context of business cycles have received special attention. To fight business cycles, there is a need for built in-stabilizers in the form of integrated monetary and fiscal policies. Business cycles today call for both macro and micro level adjustments by persons, corporations and the government. Business forecasting and forward planning by the corporate

sector should be viewed in the context of business policies designed to cope with short-run fluctuations and long-run growth (SarjoPareek, 2009).

2.9. The culture of saving and Investment

The achievement of the desirable goals of stable macroeconomic condition and faster growth partly depends on the level of investment and its means of financing. Over the 1997/98-2006/07 period, both gross national saving and gross investment as percentage of GDP remained stable at around 23 percent. The investment to GDP ratio is moderate even by African standards (World Bank Africa Database, 2005).

The stable saving and investment rates during the ten years period despite the erratic nature of economic performance indicates that saving and investment have weak correlation with growth rate. Saving must have been dependent on sectors of the economy that remain relatively stable such as the service sector. The weak relationship between saving and economic performance supports the point that the economy's performance is highly reliant on natural conditions.

The average rate of gross domestic saving and gross investment as percentage of GDP for the 1997/98-2006/07 period stand at 6.6 percent and 22.8 percent respectively. The saving rate tended to fall overtime while, the investment rate has risen over time leaving an increasingly wider saving gap as a percentage of GDP. In the last five years of the period under consideration, average saving has fallen to 4.2 percent of GDP but average investment has increased to 23.9 percent of GDP (MoFED, 2007/08). This significant internal gap has its equivalent external surplus counterpart. Such gap has implication to inflation through its effect on balance of payments and the resulting financing. Accordingly, the country has been compelled to rely on external sources for financing its expenditure with the financing demand growing in recent periods.

Ethiopia being a developing country highly dependent on foreign inflows, the difference between gross national saving and gross capital formation doesn't equal the foreign gap (the difference between exports and imports). The difference between the saving gap and foreign gap gives net factor payments and current transfers from abroad. During the 1997/98-2006/07 period, private saving has been significantly higher than private investment. It has registered continuous and fast growth during the period except in 2001/02 and 2003/04 averaging 20 percent per annum. As opposed to developments in the private department, fiscal gap (the difference between government investment and government saving), grew by 16.3 per annum over the same period (MoFED, 2007/08). Despite the surplus of private saving over private investment, because the

fiscal gap has been huge, the saving gap of the country has grown over the period. This in turn required growing inflow of funds in the form of factor payments and current transfers. Since such inflow has no real goods counterpart in the economy, unless the supply of output is elastic, it could be inflationary (KibromTafere,2008).

Over the 1997/98-2006/07 period, both gross national saving and gross investment as percentage of GDP remained stable at around 23 percent4. The investment to GDP ratio is moderate even by African standards (see World Bank Africa Database, 2005). The stable saving and investment rates during the ten years period despite the erratic nature of economic performance indicates that saving and investment have weak correlation with growth rate. Saving must have been dependent on sectors of the economy that remain relatively stable such as the service sector. The weak relationship between saving and economic performance supports the point that the economy's performance is highly reliant on natural conditions. Developing technological capability requires adequate and continuous investment not only on equipment and related assets, but also on information, labor educations and technological knowhow.

However, investment level in Ethiopian manufacturing is extremely low. Thus, the undeveloped nature of manufacturing is more noticeable when observed from the investment point of view (Urgaia Rissa, March 2007).

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In Dukem and the surrounding area the culture of saving their money is poor. As the farmers' livelihood is based on farming cereal crops and livestock rearing, they do not save their income. They waste their time and money around the market areas and they used bars and Hotels for drinking alcohols. So that money paid for the compensation their land would easily waste in the recreation areas. Therefore, this money would not be utilized to run their life in the future and many farmers loss the compensation in less than a year.

2.10. Performance of investment project implementation at Dukem

Investment projects have been started in Dukem town in 1995 under Akaki district after the downfall of Derg regime. After years of implementing an active industrial policy, characterized by massive state investments in infrastructure, energy and human capital, Ethiopian Economic architects insist the building blocks are now in place to spur a manufacturing sector takeoff driven foreign investment. The country's drive to industrialize will have a significant impact on the lives of millions of its citizens.

In Dukem, many manufacturing industries have been expanded from time to time. One of the huge industries is Eastern Industrial Zone of Chinese industries which handover 200ha of land and started around 20 industries for the time being and in the long run the plan reaches 80 industries. Due to the expansion of industries in the area many job seekers have got jobs in the town. Contrary to this, many farmers have been displaced from their livelihoods. The area still attracts many investors and may displace many farmers in near future.

2.11. Policy and practice of investment project management in Ethiopia

The Economic policy promulgated by the Federal Government of Ethiopia has brought about a great opportunity to private investors in all sectors of the economy and continually abolishing obstacles hindering investment. The private led competitive economy operating under a free market and prudent fiscal and monetary policy environments was optimistically expected to emerge from this. The practical experience of the last decade of the adjustment program,

however, revealed that the expected results could not be obtained. The macroeconomic policies and programs were undertaken during 1992/93-2000/01 to encourage the private sector in particular and business activities at large. Within a disciplined macroeconomic framework, fiscal policy was focused on the provision of basic services and infrastructure while at the same time reducing the overall fiscal deficit. The key objective of the fiscal policy was to strengthen public sector savings, with the twin aim of making available additional domestic and foreign reserves to develop the private sector and of supporting productive public investment to benefit the private sector.

Ethiopia has made an earnest effort towards the development of the manufacturing sector since the mid-1960s. Several agro-industrial projects had been initiated through the public as well as the private sectors. During the Imperial period, the government provided tax and similar incentives, just like the EPRDF government, for the private sector to undertake investment operations. In parallel, the government made some major investments in competitive sectors to those in the private sector (e.g. tannery in Modjo) or complementary sectors (e.g. Tyre factory). During the *Dergue* era, almost all of the manufacturing operations were nationalized and only a limited space was left for the private sector.

Those open spaces were in medium, small and handicraft industry. The government however invested in some large operations. During the EPRDP, the policy regime has turned back to policies similar to those of the Imperial Regime. Yet, despite some minor oscillations, the share of the manufacturing sector has remained stunted at 5-7 percent of GDP.

The state of the manufacturing sector has remained a frustrating policy issue ever since the Imperial time. In 1970, in preparation for the Fourth Five Years' Development Plan, the government sought the services of a consultant to study the tax (tariffs), subsidy and international trade policies, and industrial incentives of the country and provide recommendations to unleash the manufacturing potential.

Professor Stephen E. Guisinger, then Assistant Professor at Southern Methodist University in Texas spent several months in the country and, with the able assistance of Ahmed Ali, produced a report which was widely debated. Prof. Guisinger concluded that most operations, particularly those in finishing operations (such as the corrugated sheets factory) and assembly plants (such the truck assembly plant, AMCE) produced negative value added when inputs and outputs were priced at international prices (for traded or tradable goods) and at shadow prices for non-traded/tradable goods. In these cases, it was cheaper, in Dollar terms, to import the finished

product than producing it at home paying the direct and indirect foreign exchange costs of the imported intermediate and ancillary inputs. He further concluded that their continued operation was facilitated by the tax, subsidy and similar distortions created in the market. His conclusion was that if the playing field was uniform and fair, these heavily protected operations will die and the sectors that reflect Ethiopia's comparative advantage such as leather and leather products, yarn and lower-end textile manufacturing will thrive and Ethiopia's manufacturing sector will be laid on a stronger footing.

Now too the Ethiopian authorities are anxious to see speedier growth in manufacturing. There are several efforts being exerted towards that goal. Of late, there have been several stories regarding the promotion of investment.

The Investment authorities extend various types of incentives to domestic and/or foreign private investors in the form of duty free importation of machinery and equipment and corporate income tax exemptions for several years. The applicants before investment licenses are issued. Economists encourage governments to apply clear cost-benefit analysis in the selection of projects that use public resources. Taxes revenue that remains uncollected because of the exemption is public resources. Scarce foreign exchange used by these firms is likewise public resources. Thus, just like in the case of public projects, private projects that seek government incentives and scarce resources should qualify on the bases of the investment screening criteria. Two tools of cost-benefit analysis; namely the effective rate of protection (ERP) and the domestic resource cost (DRC) criteria, become practical and readily applicable. Private investment projects that do not meet these criteria should not qualify for public resources, including foreign exchange allocations. They should be made to depend on their own sources (Timothy J. Sturgeon and Johannes V. Biesebroeck, 2010).

These were precisely the recommendations of the Guisinger study; i.e. to subject every project to these criteria before scarce public resources are allocated to them. Following Guisinger's proposal, an Investment Board was set up in the early 1970s to receive such investment license requests, subject them to rigorous economic criteria, and issue them a yes or no verdict.

Pertaining to the automotive industry, in particular, a study by UNIDO undertaken in the early 1970s suggested that the minimum market size for an economically efficient operation was over 200,000 vehicles per annum. A recent World Bank study confirms the same threshold. The report says "…The dream of a viable, fully blown national automotive industry lies beyond the reach of all but the very largest developing countries, such as Brazil, China, and India... First, a few

midsize developing countries, such as South Africa, Thailand, and Turkey, are large and rich enough to support vehicle assembly for their domestic markets as long as they can export to their wider regions as well. “2 By inference, the size of Ethiopia’s auto motive market does not seem to support the minimum economic size assembly plant(Timothy J. Sturgeon and Johannes V.Biesebroeck, 2010).

For the Chinese automotive industry, the developing countries such as Ethiopia are learning grounds both on the technical design and international marketing fronts. Once they gain experience, the Chinese companies’ aim is to use the developing countries as launching pad for their other international endeavor.

In conclusion, the application of rigorous economic criteria is important in the issuance of investment licenses. In addition, consideration of minimum economic size is an important consideration. To realize these objectives, a body such as the Investment Board with a small secretariat may be warranted. The Industrial Projects Agency could serve as the technical arm of the secretariat to provide independent and objective analysis. Such measure would avoid the emergence of value-subtracting operations and would direct resources to operations that add-value (Timothy J. Sturgeon and Johannes V.Biesebroeck, 2010).

The focus on reducing fiscal deficit for private sector development is for the mere reason that the private sector considers the sustainability of the fiscal adjustment when making fiscal adjustment when investment decisions. If deficits are perceived to be unsustainable, then the private sector will expect future tax increase to money creation (inflation tax), which in turn affects its investment decision.

Therefore, several measures including rationalizing public expenditure, limiting the number of zero-tariff related items and import exemptions, broadening the tax base, introducing rental income tax, reforming interest income and capital gain taxes, reducing the maximum custom tariff rate, etc. have been taken (Timothy J. Sturgeon and Johannes V.Biesebroeck, 2010).

From these literature reviews, the researcher conceptualize that for the successfulness of project, investors or their representatives should understand about the project cycle and practice it. Government should manage the project office with better skilled manpower that have an understanding of project management. On the other hand organizations working on projects and businesses in order to reduce the risks encounter they better understand the complexities of projects and prepare for success. Even though the culture of saving is developing from time to time, the area of expansion of investments made and compensations paid need special attention with relation to creating awareness how to save their money and make business.

CHAPTER THREE: Research Design and Methodology

3.1. Research Design

It is the framework or the blue print of the study. According to Saunders, Lewis and Thornbill (2009), the choice of the research design depends on the objectives of the study; the available data sources, the cost of obtaining the data and the availability of the time.

The purpose of research design is to provide for the collection of relevant evidence with minimal expenditure of efforts, time and money. The study was designed to get full information about the gap identified by the researcher by preparing questionnaires for displaced farmers, investors and government officials separately. The sampling technique simple random samplings, to do this the lists of investors from 2010-2015 years who were 63 and decided to select 45% which were 28 of them were taken from Dukem investment office and lists of displaced farmers from 2010-2015 years who were 60 and decided to select 45% which are 27 of them were taken from Dukem land management office. After selecting from lists the questionnaires were distributed and filled by those selected. In addition to this some investors and displaced farmers were selected using purposeful sampling technique in order to strengthen the data collected by questionnaires. In addition to this the researcher distributed for 11 government workers and necessary data was collected from them. Data gathered in this system were analyzed by using SPSS software. From the resulted obtained from the software was interpreted by the researcher.

3.2.Sampling

3.2.1. Sampling Technique

The sampling technique was simple random sampling technique. In order to give equal chance without biasness the researcher has taken all investors list of the years from 2010-2015 from Dukem investment office.

3.2.2. Sampling size

Investors from 2010-2015 years who took the land and developing on it are 63. Out of 63 investors 28 (45%) were participated and 26 (93%) respond to the questions. On the other hand,farmers who were displaced in these years are 60, out of 60 farmers 27 (45%) were selected and 25 (92.59%) have been displaced responded to the questionnaires. In addition to this, out of the survey question distributed to 11 government officials 10 (90.9%) have responded the survey questions.

3.3.Sources of Data

The study used primary data on the performance of investment project management collected by interviewing and distributing questionnaires to investors, displaced farmers of the area, employees employed by the investors and government officials that are related with investment process. The variables which may affect investments are land, market supply, capital, transport, compensations and infrastructure (road, power supply, telephone, and water). The study also used secondary data which were collected from Dukem Investment Office, Special Administrative zone Surrounding Finfine, Dukem Land Management and Administration office.

3.4.Data Collection Method

In order to achieve objectives, primary data were collected through questionnaires, interviews and observations. The questionnaires were designed and distributed to investment owners or managers, displaced farmers and government officials. In addition to questionnaires, the primary data was collected through the observation of the displaced farmers livelihood by the researcher with the major focus on the livelihood of the farmers, their children live, availabilities of infrastructures in the areas like School, Water, Road, Power supplies and conducting interview on 5 (71.4%) farmers, 5 (71.4%) investors and distributing survey question to subjects of the study such as farmers displaced from their land, by observing the investment projects, interviewing investors. The secondary data was collected from different sources by referring different documents, internet, and reports of the town of Investment and Land Management and Administration Offices and from Oromia Investment Commission.

3.5.Data collection Instruments

Primary data was collected through survey. In a survey data collection the following methods was used.

3.5.1. Survey questions

A self-designed questionnaire was used to gather the research data. The sampling design process includes six steps, which are shown sequentially in figure below. Define the target population; determine the sampling frame, validate the sample, Select sampling techniques(s), determine the sample size and execute the sampling process.

3.5.2. A face to face interview

The researcher followed a free face-to-face interview with a procedure and sought answers to a set of pre-conceived core to obtain reliable information from direct sources.

3.5.3. Field Observation

It was conducted by the researcher with the major focus on the livelihood of the farmers, how their children live, and availabilities of infrastructures in the areas like School, Water, Road and Power supplies.

3.6. Data Analysis Procedure

In this process each data was seen how one variable correlate with the other.After the data have been collected, the researcher turned to the task of analyzing them. The analysis of data required a number of closely related operations such as establishment of categories, the application of these categories to raw data through coding, tabulation and then drawing statistical inferences.

Thus, the researcher classified the raw, data coded and tabulated. Tabulation is a part of the technical procedure wherein the classified data are put in the form of tables. After these processes, Data was analyzed by using SPSS software. In SPSS every data which have been collected quantitatively was fed to the software and processed accordingly.

3.6.1. Validity of data

According to Saunders, et al (2009), Validity is soundness or rationality; whether the findings are really about what they appear to be or the degree to which results obtained from the analysis of the data actually represents the phenomena under study. It is the strength of researcher conclusions, inferences or propositions. It involves the degree to which the researcher is measuring what it is supposed to, more simply, the accuracy of measurement.

3.6.2. Reliability

Reliability estimates the consistency of the measurement or more simply, the degree to which an instrument measures the same way each time it is used under the same conditions subjects. Reliability is essentially about consistency. That is, if we measure something many times and the result is always the same, then we can say that our measurement instrument is reliable.Based on the researcher use Cronbach's Coefficient Alpha.

Table1: Reliability test of data between initial capital and employees recruited

Case Processing Summary

		N	%
Cases	Valid	26	100.0
	Excluded[a]	0	.0
	Total	26	100.0

Reliability Statistics

Cronbach's Alpha	N of Items
.094	2

From the table 1 when the researcher tests the initial capital of investment and the employees employed in the company one variable depends on another the reliability is 0.94 which shows the data is highly consistent.

3.7.Research Ethics

Respondents were assured that the information they provide is confidential and used for academic purpose. Moreover statement confirms the prohibition of including any identity details or personal reference of the respondents in the questionnaire forms. This was to avoid biased response provided by the residents.

Request for names and house numbers or site was prohibited at any part of the data collection so that participants were certain that he/she cannot be traced by anyone else. This would offer them enough room to express their ideas and point out their response freely and safely.

Data gather in process of the study was kept confidential and would not be used for any personal interest and the whole process of the study was controlled to be within acceptable professional ethics.

CHAPTER FOUR: Data Analysis, Interpretationand Discussion

4.1. Introduction

This section discusses the result of the study based on the research tool presented on the proceeding sections of the report. After collection of necessary data, the primary and secondary data were analyzed by using SPSS techniques. Data were coded in order to feed in the software and SPSS analyzed the data. Then after, the analyzed data was interpretedcautiously.

4.2. Instrumentation

This analysis was done by SPSS and shows the descriptive nature of the variables under consideration. In this study, descriptive statistics include mean, standard deviations, the minimum and maximum was used to analyze the collected data. Standard deviation exhibited how much variation exists from the low indicates that data points are inclined to be extremely close to the mean while high value indicates deviation from the data.

4.3.Analysis and Results

4.3.1. Responses of farmers

After questionnaires have been prepared, farmers were asked to respond without giving any clue or imposing an impact. In addition to questionnaires interview was made.

Table 2: Respondent Farmers by Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	5	19.2	20.0	20.0
	Male	20	76.9	80.0	100.0
	Total	25	96.2	100.0	
Missing	System	1	3.8		
Total		26	100.0		

Source: Own Survey, 2017

Figure 2: Respondent Farmers by Sex

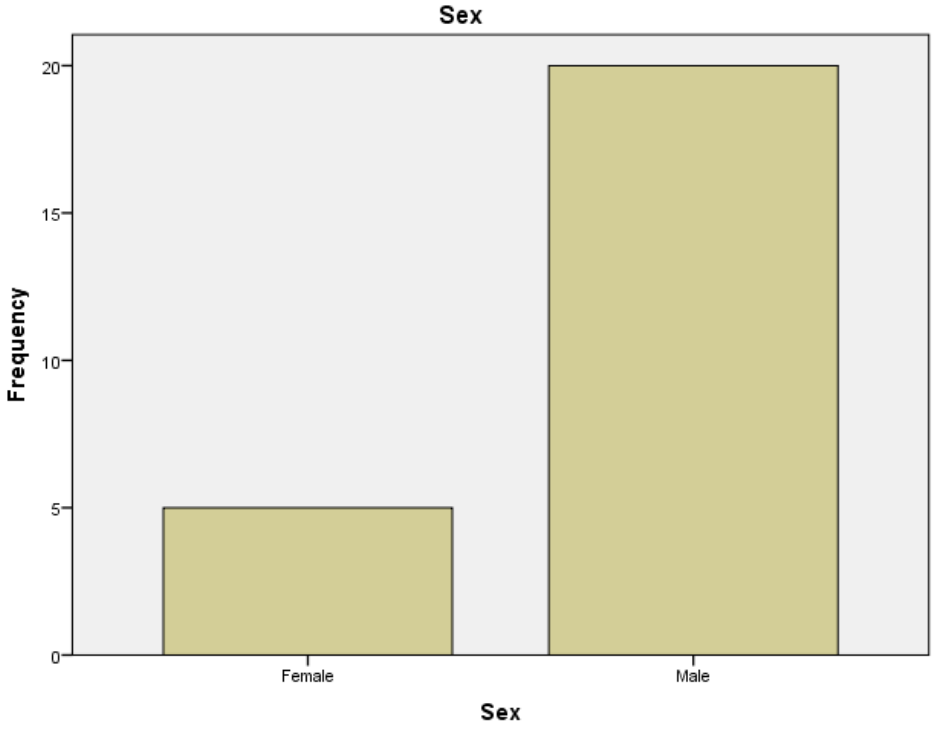


Table 2 presents that 20 (80%) farmers respondents were male and the remaining 5 (20%) were females. This indicates that more of the land was owned by male.

Table 3: Respondent Farmers by Age

Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25.00	1	3.8	4.0	4.0
	38.00	2	7.7	8.0	12.0
	40.00	1	3.8	4.0	16.0
	45.00	3	11.5	12.0	28.0
	47.00	1	3.8	4.0	32.0
	48.00	1	3.8	4.0	36.0
	52.00	1	3.8	4.0	40.0
	53.00	2	7.7	8.0	48.0
	55.00	2	7.7	8.0	56.0
	60.00	2	7.7	8.0	64.0
	63.00	2	7.7	8.0	72.0
	65.00	1	3.8	4.0	76.0
	68.00	1	3.8	4.0	80.0
	70.00	2	7.7	8.0	88.0
	80.00	1	3.8	4.0	92.0
	81.00	1	3.8	4.0	96.0
	88.00	1	3.8	4.0	100.0
	Total	25	96.2	100.0	
Missing	System	1	3.8		
Total		26	100.0		

Source: Own Survey, 2017

Table 3 presents ages of displaced farmers. The table shows that the lowest age limit is 25 and highest was 88 years old.

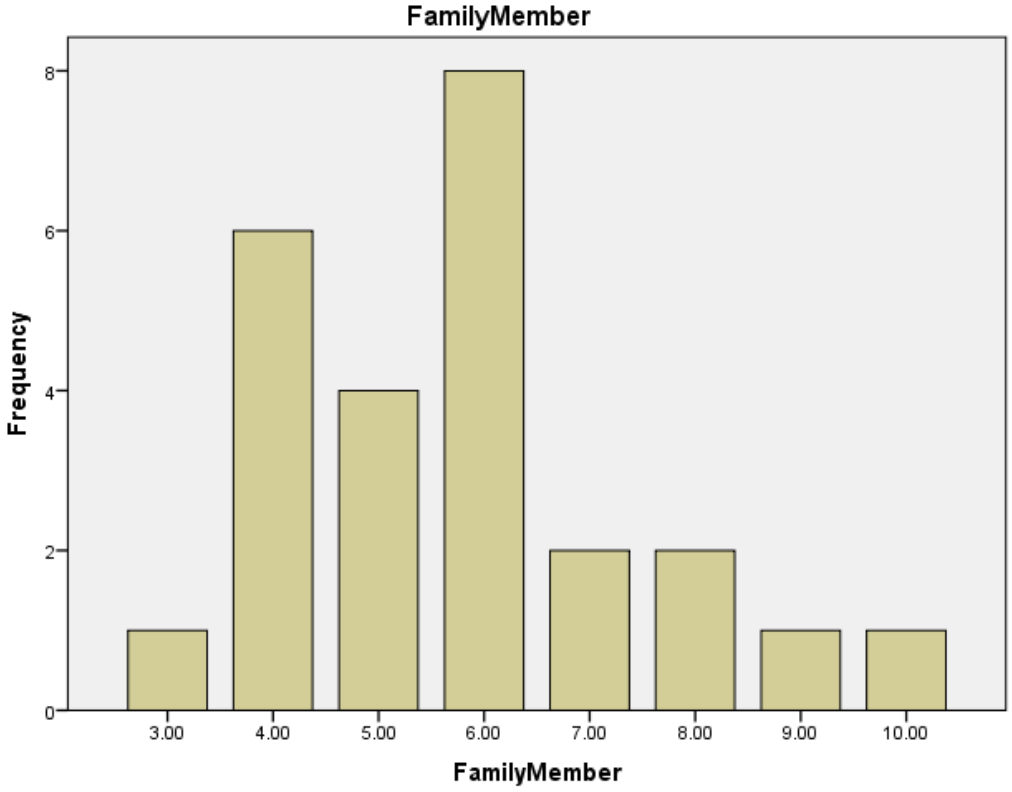
Table4: Respondent Farmers Family Members

No of Family members		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3.00	1	3.8	4.0	4.0
	4.00	6	23.1	24.0	28.0
	5.00	4	15.4	16.0	44.0
	6.00	8	30.8	32.0	76.0
	7.00	2	7.7	8.0	84.0
	8.00	2	7.7	8.0	92.0
	9.00	1	3.8	4.0	96.0
	10.00	1	3.8	4.0	100.0
	Total	25	96.2	100.0	
Missing	System	1	3.8		
Total		26	100.0		

Source: Own Survey, 2017

Table 4 depicts that, all 25 farmers have family members with a minimum of 3 and a maximum of 10. Out of 25 farmers responded 18 (72%) have 4 to 6 family members.

Figure 3: Respondent Farmers Family Members



4.3.2. Responses of Investors

After questionnaires were prepared, owners of investments, managers, section head and expertswere asked to respond without giving a direction. In addition to questionnaires interview was made.

Table 5: Managers level ofEducation

Level of Education		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below12	2	7.7	7.7	7.7
	12complete	5	19.2	19.2	26.9
	Certificate	1	3.8	3.8	30.8
	Diploma	6	23.1	23.1	53.8
	1st degree	8	30.8	30.8	84.6
	Masters	4	15.4	15.4	100.0
	Total	26	100.0	100.0	

Source: Own Survey, 2017

Table 5 presents the educational level of respondent managers, out of which 26 (69.2%) have diploma and above. Therefore, most of the leaders in educational status were in good position to lead their projects forward. But no one have a project management qualification.

Table 6: Experience of respondents of Managers

Experience		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-4years	3	11.5	11.5	11.5
	4-8years	7	26.9	26.9	38.5
	>8years	16	61.5	61.5	100.0
	Total	26	100.0	100.0	

Source: Own Survey, 2017

Table 6 indicates that, the experience of managers, in which out of 26 contacted managers 88.4% have an experience of more than 4 years and out of all 26 managers 61.5% have an experience of more than 8 years only 3 (11.5%) have less than 4 years of experience.

4.3.3. Responses of government officials

After questionnaires have been prepared, managers and officers were asked to respond without giving a direction. In addition to questionnaires interview was made.

Table 7: Roles of Project Office towards Investment

Roles of project office		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Providing Land to Investors	3	27.3	30.0	30.0
	Providing Land to Investors and Supporting in Ideas	1	9.1	10.0	40.0
	Supporting in ideas and Supervising, controlling	6	54.5	60.0	100.0
	Total	10	90.9	100.0	
Missing	System	1	9.1		
Total		11	100.0		

Source: Own Survey, 2017

As shown in Table 7 above out of 10 respondents 6 (60%) confirms that they were supported in advising, Supervision and controlling as needed and in the right track. This shows that investors were treated fairly by the offices.

Table 8: Attitude towardsCompensationbyFarmers

Attitudes towards compensation		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Satisfactory	2	7.7	8.0	8.0
	Poor	14	53.8	56.0	64.0
	Very Poor	9	34.6	36.0	100.0
	Total	25	96.2	100.0	
Missing	System	1	3.8		
Total		26	100.0		

Source: Own Survey, 2017

Figure 4: Attitude towards compensation by farmers

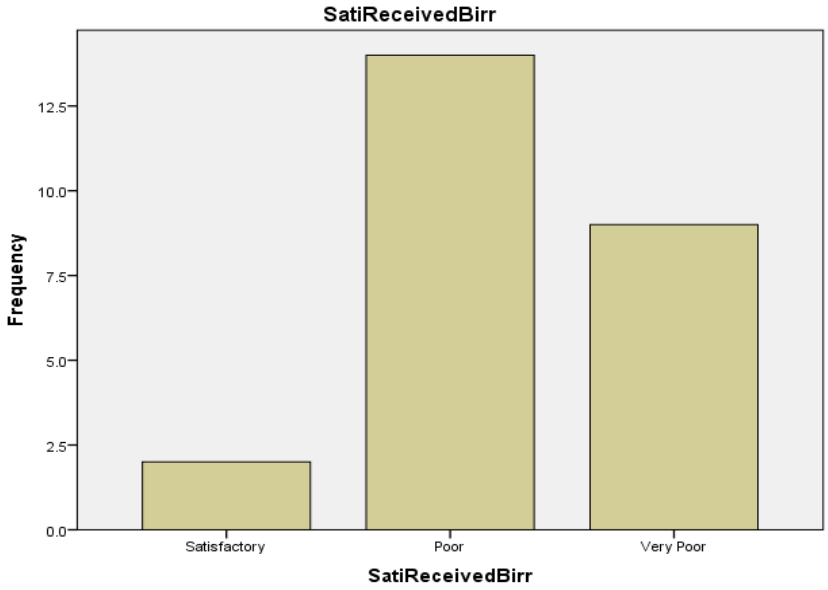


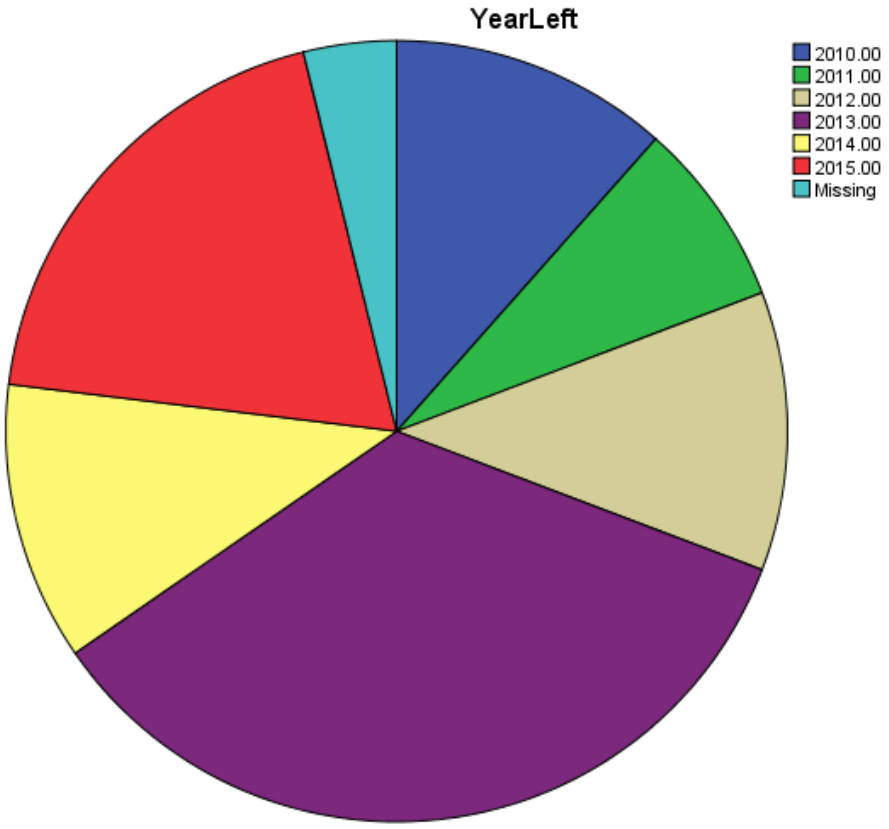
Table 8 indicates that 92 % of displaced farmers did not Satisfied by the compensation given for their land and their livelihood was disturbed. They also said that most of them have finished their compensation paid for their land without doing any income generating project, due to the fact that, they didn't have experience and skill except farming land and livestock rearing.

Table 9: FarmersLeaving Years of landfor Investment

Years of leaving the land		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2010.00	3	11.5	12.0	12.0
	2011.00	2	7.7	8.0	20.0
	2012.00	3	11.5	12.0	32.0
	2013.00	9	34.6	36.0	68.0
	2014.00	3	11.5	12.0	80.0
	2015.00	5	19.2	20.0	100.0
	Total	25	96.2	100.0	
Missing	System	1	3.8		
Total		26	100.0		

Source: Own Survey, 2017

Figure 5: Farmers years of leaving their land



As presented from table 9, although in every year investment projects were created, most farmers left their land in 2013 which was9 (36%)indicates that relatively more investment was undertaken in 2013 and more displacement of the farmers also done with the same year.

4.4. Economic benefits and losses of investment projects

Table 10: Transferred Land from farmers

Land taken from farmers		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.40	1	3.8	4.0	4.0
	.50	1	3.8	4.0	8.0
	.60	1	3.8	4.0	12.0
	.80	5	19.2	20.0	32.0
	.90	2	7.7	8.0	40.0
	1.00	4	15.4	16.0	56.0
	1.10	2	7.7	8.0	64.0
	1.20	4	15.4	16.0	80.0
	1.30	1	3.8	4.0	84.0
	1.50	1	3.8	4.0	88.0
	1.60	1	3.8	4.0	92.0
	1.80	1	3.8	4.0	96.0
	2.00	1	3.8	4.0	100.0
	Total	25	96.2	100.0	
Missing	System	1	3.8		
Total		26	100.0		

Source: Own Survey, 2017

Table 10 presents from 25 respondents 17 (68%) of farmers left 0.8-1.2 acre of land and the total amount of land left was 25 acre. This shows that many of the displaced farmers become landless as they did not have land in other places.

Table 11: Productivity of land and average cereal price

		LandTransferredinAcre	CerealsinQuintal	Ave.price	Totalprice
N	Valid	25	25	25	25
	Missing	1	1	1	1
Mean		1.0600	28.7800	1200.0000	36589.8500
Median		1.0000	29.0000	1200.0000	35250.0000
Mode		.80	32.50	1200.00	13440.00[a]
Minimum		.40	25.00	1150.00	13440.00
Maximum		2.00	32.50	1250.00	67275.00
Sum		26.50	719.50	30000.00	914746.25

Source: Own Survey, 2017

As presented on the table 11 the 26.5 acre total land income generated from the land was 914,746.25 birr only while we see the salary paid for the employees was 13,633,200 birr without considering the income of investors gaining per year. This implies that land had been used effectively by investors than farmers.

Table 12: Initial Capital of Investment Projects

Initial capital		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5million	10	38.5	38.5	38.5
	5-10million	9	34.6	34.6	73.1
	>10million	7	26.9	26.9	100.0
	Total	26	100.0	100.0	

Source: Own Survey, 2017

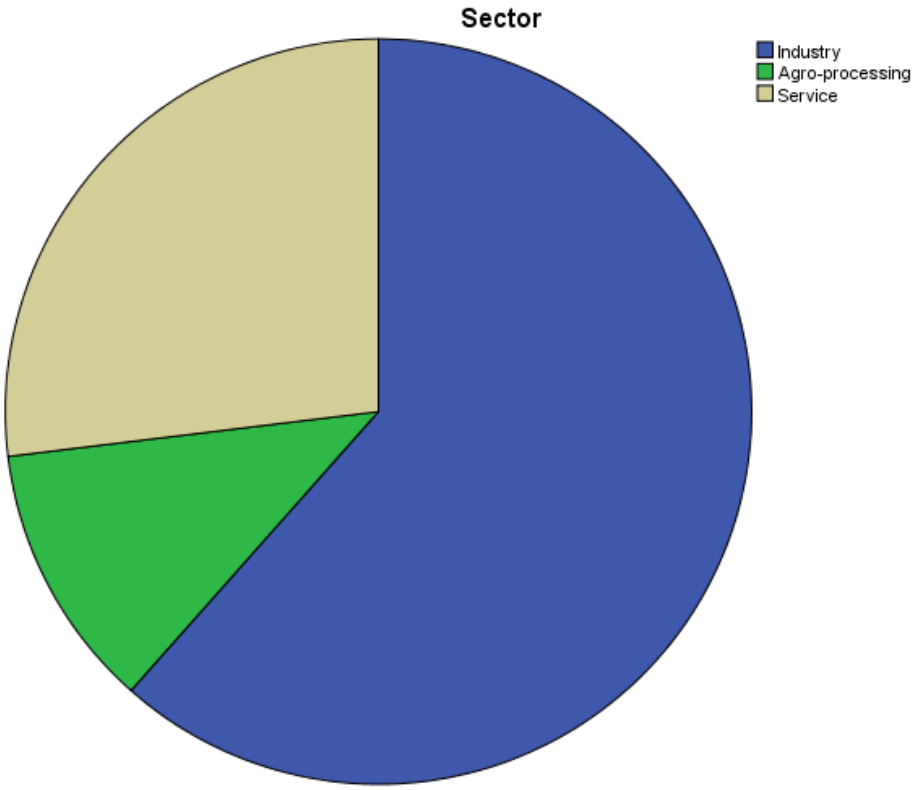
Table 12 presents initial capital for investments undertaken in the area and shows that 16 (61.5%) of investors invested with a minimum of 5 million birr. From this data, one can understand that those investors in the production process were in good position to run their projects.

Table 13: Classification of Sectors of investments

Sectors		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Industry	16	61.5	61.5	61.5
	Agro-processing	3	11.5	11.5	73.1
	Service	7	26.9	26.9	100.0
	Total	26	100.0	100.0	

Source: Own Survey, 2017

Figure 6: Classification of Investment by sector



As depicted on the table 13,the industries and Agro-processing sectors accounts 19 (73.1%) while 7 (26.9%) of the investor were participated in service sector.

Table 14: ProjectSuccess responded by investors

Judgment of Project success by investors		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	25	96.2	96.2	96.2
	It's duration is short	1	3.8	3.8	100.0
	Total	26	100.0	100.0	

Source: Own Survey, 2017

Table 14 shows that 25 (96.2%) of investors were successful with their project and only 1 respondent said the time of duration to evaluate successfulness answered short. No respondent said their project was unsuccessful.

Table 15: Project Success responded by farmers

Judgment of Project success by farmers		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	17	65.4	68.0	68.0
	I donot know	8	30.8	32.0	100.0
	Total	25	96.2	100.0	
Missing	System	1	3.8		
Total		26	100.0		

Source: Own Survey, 2017

As presented on table 15even though, some farmers that was 8 (32%) didn't able to recognize the successfulness of the investments projects, 17 (68%) of recognized as projects were successful. No farmer said the investment undertaken in the town said unsuccessful.

Table16: Compensation paid for farmers in Birr

Compensation paid for farmers		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	64000.00	1	3.8	4.0	4.0
	128000.00	1	3.8	4.0	8.0
	140000.00	1	3.8	4.0	12.0
	160000.00	2	7.7	8.0	20.0
	168000.00	1	3.8	4.0	24.0
	224000.00	3	11.5	12.0	36.0
	252000.00	2	7.7	8.0	44.0
	256000.00	1	3.8	4.0	48.0
	280000.00	1	3.8	4.0	52.0
	308000.00	1	3.8	4.0	56.0
	320000.00	1	3.8	4.0	60.0
	336000.00	3	11.5	12.0	72.0
	352000.00	1	3.8	4.0	76.0
	364000.00	1	3.8	4.0	80.0
	420000.00	1	3.8	4.0	84.0
	440000.00	1	3.8	4.0	88.0
	484000.00	1	3.8	4.0	92.0
	504000.00	1	3.8	4.0	96.0
	528000.00	1	3.8	4.0	100.0
	Total	25	96.2	100.0	
Missing	System	1	3.8		
Total		26	100.0		

Source: Own Survey, 2017

Table 16 depicts that the compensation paid for farmers was a minimum of 64,000 and maximum of 528,000 birr according to the area of their land.

Table 17: Attitude of Farmers towards Leaving their Land

Attitudes of farmers to leave land		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	8	30.8	32.0	32.0
	No	17	65.4	68.0	100.0
	Total	25	96.2	100.0	
Missing	System	1	3.8		
Total		26	100.0		

Source: Own Survey, 2017

Table 17 presents farmers who were interested to leave the land were only 32% and those who believe the compensation paid for their land was only 8%. On the other hand, farmers who were not interested to leave the land was 68% and 92% of them were unsatisfied.

4.5. Benefits of Policy and Practices

Table 18: Policy and practice in respect to the benefit of farmers

Beliefs of farmers towards policy		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	25	96.2	100.0	100.0
Missing	System	1	3.8		
Total		26	100.0		

Figure 7: Policy and practice in respect to the benefit of farmers

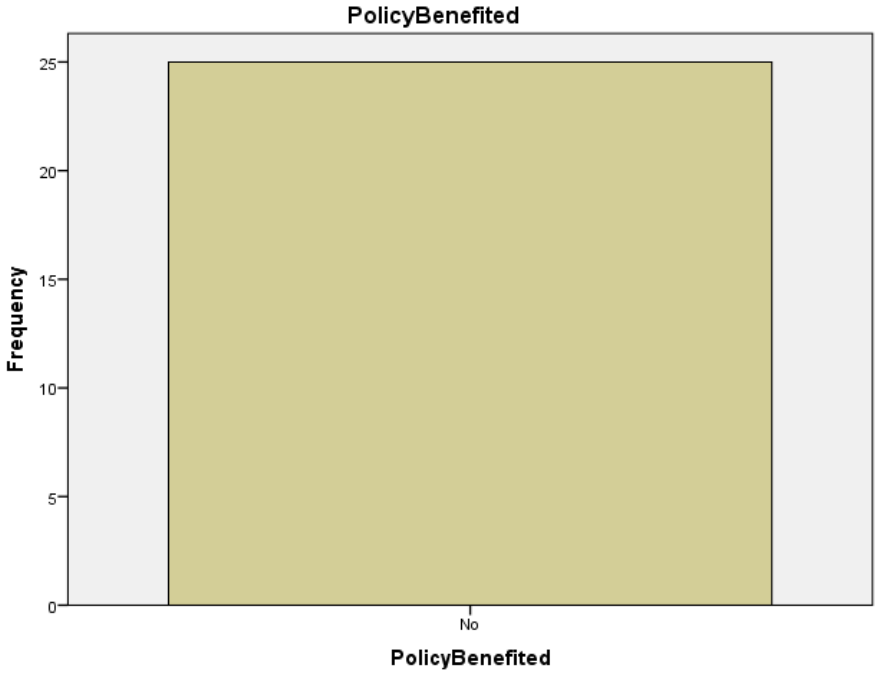


Table 18 depicts that 25 (100%) of respondent farmers were not benefited from the policy and practice developed by the government.

Table19: Beliefs of Investors toward Policyand practices in respect to benefits

Beliefs of Investors towards policy		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	26	100.0	100.0	100.0

Source: Own Survey, 2017

Table 19 presents all investors said they were benefited from the policy and practices set by the government.

Table 20: Policy and Practice towards the benefit by government Officers

Beliefs of government Officers towards policy		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	10	90.9	100.0	100.0
Missing	System	1	9.1		
Total		11	100.0		

Source: Own Survey, 2017

According to table 20, respondent's farmers 100% were not benefited from policy and practices while investors responded 100% were benefited from the policy. Those government workers 100% said investors were benefited from the policy and practices but farmers were affected by the investment policies and practices.

4.6. Socio-economic Development

Even though the area was developed with infrastructures and other facilities the socio-economic condition of the local communities was disrupted as they were displaced from their areas. Children's of the farmers couldn't get land and most of them are illiterate and didn't able to get jobs which can sustain their life and families they have created.

4.7. Opportunities and Threats of investment of the town

4.7.1. Opportunities and Threats of the Investors

To analyze the industry environment and identify challenges and opportunities, the researcher used survey questionnaires and interview who were important for the research. As it can be seen in the table,

4.7.1.1. Opportunities

As the country was not open for investment in Derg regime, in order to attract local and foreign investors most the investment policies gave opportunities for capital owners. These opportunities were

- Income Tax holidays of between 2 and 7 years (variable depending on area of investment, location and volume of export) are available to income derived from new manufacturing and agro-industrial investment.

- Customs Import duty- 100% exemption of all imports of investment capital goods and construction materials necessary for the establishment of new enterprises or the expansion and upgrading of existing ones.
- Strong internal market demand with apopulation of more than 80 million and accessibility nearby
- Ease of Transportation and close to the capital city Addis Ababa
- Having Investment Policy
- Having trainable labor force
- Good infrastructures

4.7.1.2. Threats

- Displacement of farmers without sustaining their livelihood leads to insecurity to the investment
- Unable to get land for expansion as needed
- Sometimes shortage of inputs
- Power interruption
- Rise of lease payment

4.7.2. Opportunities and Threats of the Farmers

4.7.2.1. Opportunities

- If the compensation paid handled effectively, they can transform from agriculture to industry or trade.
- Skills of different project could be easily gained
- Infrastructure has been fulfilled from time to time

4.7.2.2.Threats

- They loss their land from time to time
- Their socio-economy would be disturbed
- The livelihood of the farmers would be disturbed
- Their social values have been deteriorated from time to time

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

In this chapter summary of findings, conclusion and recommendations are presented. Based on the purpose of the study and findings, conclusion and recommendations are made. The recommendations are mainly related with the government bodies and investors.

4.8. Summary

The main objective of the study wasto analyze the performance level of satisfaction of displaced farmers and investment project management office at Dukem. Based on this, the study has identified the following findings.

- 90% of the displaced farmers couldn't able to sustain by the compensation given for their land and their livelihood was disturbed.
- 96.2 % of investors were successful with their projects.
- 68% of displaced farmers were not interested to leave the land for investment.
- The industries and agro-processing sectors account 73.1% which creates better job opportunities for unemployed ones.
- 100% Government officials and displaced farmers believed that the investment policy did not benefit farmers at all.
- 68% of the displaced farmers who left land for investment became landless and do not able to continue their live as a farmer.

The findingsrevealed compensations, employment, income and capital are the major significant for the performance of project management.

5.2. Conclusion

This study was carried out in Oromia Special Zone Surrounding Finfine at Dukem town with the purpose of assessing the performance of investment project management. Accordingly 96.2% of investors were successful and met their targets even though 68% of displaced farmers were not interested to leave their land. The study had tried to see farmers attitude towards investment and 68% were uninterested to leave their land, but all farmers appreciate investment expansion is crucial for the development of the country.

Farmers and government officers 100% believe that policy and practices of the country did not equally benefit investors and farmers. So the policy formulated in the future should be designed to benefit both farmers and investors equally. Because the displaced farmers could not able to sustain by the compensation so that other sustaining mechanism have to be studied in order to

sustain the livelihood of the farmers. Unless, the disturbance continued as before it leads to the conflict of the government and investors. In addition to changing the investment policy persuasive action has to be made before displacing them.

On the other hand, within a limited land many job opportunities have been created in the area as compared to job created on the farm by local farmers.

5.3. Recommendations

The following recommendations are forwarded based on land granted for investment and compensation research findings for the attention of stakeholders for future improvement.

- ✓ The sustainability of the livelihood of displaced farmers has to be seriously considered seen by the government and investors who are working in the surrounding areas.
- ✓ The local communities' social and cultural values needto be respected by new residents.
- ✓ Awareness of training need to be provided to both farmers and investors regarding to policy issues from time to time.
- ✓ A mechanism has to be designed in advance to create jobs or income generating scheme for displaced farmers and their family members in surrounding areas.
- ✓ Compensation for displacedfarmers is not sufficient compared to current living situation. So, government has to study a more payment system and different business plans. This will help farmers have an understanding ofleaving their land as an opportunity than as a curse.
- ✓ Government should set standards in order to increase the efficiency of investment office to transfer the land on time for investors.
- ✓ Government should monitor and take action on investors who do not start developing their project after securing the investment land.

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APPENDIX A1: Survey Questions forFarmers

Dear respondents,

The purpose of this study is to identify the performance of the investment project management office at Dukem regarding provision of land by investors, farmers' satisfaction with compensation and their current life style and the guidance and supervision of the office to provide data based information to stakeholders for future improvement. This study is considered as a requirement for the completion of degree of Master of Project Management in Business Administration at Saint Mary University. Your voluntary contribution by providing accurate information is vital for the success of this study. The information will be kept confidential and the researcher will be responsible for any harm or injury occurred due to your participation.

Thank you for your participation.

Sincerely Yours!

Signature _____

AbdurahmanTemam

Telephone: +251911680714

I. Demographic Characteristics

1. Are you a farmer? Yes ☐ No ☐
2. Sex Male ☐ Female ☐
3. Age _____
4. Number of the family members in the household _____
5. How much acre of land you have? <1 ☐ 1-2 ☐
   2-3 ☐ >4 ☐
6. How much Quintals of cereals were you produced from your land?
   Wheat _____ Teff ____ Barley _____ other (mention)_____
7. Is your land for investment? Yes ☐ No ☐
8. If your answer for the above question is yes, how much acre of your land has been transferred for investment? _____
9. How much birr you get from the compensation per m^2?
   Nothing ☐ <10birr ☐ 11-20birr ☐ 21-30birr ☐ >30birr ☐
10. What was the total amount of money you have received?_____
11. The compensation you received was? Excellent ☐ Good ☐
    satisfactory ☐ poor ☐ very poor ☐

12. Were you interested to give your land for investment?
    Yes ☐ No ☐
13. If yes, what is the reason? To get money from compensation ☐
    Fear of the government ☐ Unable to work on the land ☐
    Other reason ☐
    If it is other reason, please mention _____
    _____
14. If it was without your interest, have you told your interest to stay with your land for the government bodies? Yes ☐ ☐
15. If your answer for Q14 is yes, what was the response from the government?
    _____
    _____
16. In which year did you left your land? _____
17. After you have left the land, within how many months or years the investor started to build on it?
    <3months ☐ 3-6months ☐ 6months-1year ☐
    1-2Years ☐ >2years ☐
18. Did the investor who took your land invests on it or he/ she had transferred to other investors? Yes ☐ ☐
19. If yes, what was the reason behind it you have heard?
    Selling ☐ Building a share company ☐
    Other ☐
20. When the project does started production or service after the handover the land?
    Within 6 months ☐ 6months-1year ☐
    Within 1-2years ☐ >2years ☐
21. Are you benefited from the project? Yes ☐ No ☐
22. If your answer for the above question is yes, in what way are you benefited?
    Were you employed in the project? ☐
    Were your family member have been employed in the project? ☐
    Income generating activities have been opened in the area ☐
    Infrastructures have been constructed in the area
23. Please mention other benefits for your family? ☐
    _____
    _____
    _____
24. In your opinion, did the project benefit the surrounding community?
    Yes ☐ No ☐
25. If your answer for the above question is yes, in what way the project have benefited the community?

_____

_____

_____

26. In your opinion, was the project successful? Yes ☐ No ☐
27. If your answer for the above question is yes, what are the reasons for success?

_____

_____

_____

_____

28. What were your expectations from the investments undertaken in the area?

_____

_____

_____

_____

29. Were you benefited from the investment policy and practices?
    Yes ☐ No ☐
30. Are you happy on the projects opened in the area?
    Yes ☐ No ☐

31. What would happen, if the condition of investment continues in the way it is?

Appendix A2: Survey Questions for Investors

Dear respondents,

The purpose of this study is to identify the performance of the investment project management office at Dukem regarding provision of land by investors, farmers' satisfaction with compensation and their current life style and the guidance and supervision of the office at Dukem project site in order to provide data based information to stakeholders for future improvement. This study is considered as a requirement for the completion of degree of Master of Project Management in Business Administration at Saint Mary University. Your voluntary contribution by providing accurate information is vital for the success of this study. The information will be kept confidential and the researcher will be responsible for any harm or injury occurred due to your participation.

Thank you for your participation.

Sincerely Yours!

Signature _____

AbdurahmanTemam

Telephone: +251911680714

A. Demographic data of respondents

1. Respondent's sex Male ☐ Female ☐
2. Educational level:
   Below 12 grade ☐ 12 complete ☐ Certificate ☐
   Diploma ☐ Bachelor degree ☐ Masters ☐ PhD ☐
3. Work experience < 1year ☐ 1-4years ☐
   4-8years ☐ >8years ☐
4. Responsibility in the project Manager ☐ Section head ☐
   Expert ☐ Other ☐

B. Data related to the Investment

1. What is the sector you are involved in?

   Service ☐ Agro-processing ☐ Industry ☐
2. What is your initial capital?
   <500,000 ☐ 500,000-1million ☐ 1-5million ☐
   5-10million ☐ >10million ☐

3. How did you get land for this project?
   From The government ☐ Directly from the farmers ☐
   By transferring or buying from other investor. ☐ Other ☐
4. If it is from the government, is it easy to get land?
   Easy ☐ Difficult ☐
5. How long would it take to handover the land?
   <15days ☐ 15days-1month ☐ 1month-2months ☐
   >2months ☐
6. How many employees do you employed? <10 ☐ >10 ☐
7. Number of employees in sex
   Male ☐ Female ☐
8. How do you find employees?
   From the surrounding areas ☐ From different areas ☐
9. If most of your employees are out of the surrounding areas, what are the reasons?
   They have their own work. ☐
   They are not interested to be recruited ☐
   They assume the salary is low. ☐
   The culture influence and fear for recruitment ☐
10. What are the average salaries of the employees?
    < 500 birr ☐ 501-1000birr ☐ 1001-2000birr ☐
    2001-3000birr ☐ 3001-4000birr ☐ >4000birr ☐
11. When the project did started production or service?
    Within 6 months ☐ 6months-1year ☐
    1-2years ☐ 2-3years ☐
12. Do you benefited from the project? Yes ☐ No ☐
13. What is the average income per month?
14. Where is your market for your production? Local ☐ Abroad ☐ Both ☐
15. In your opinion, did this project benefit the surrounding community?
    Yes ☐ No ☐ I did not recognized ☐
16. If your answer for the above question is yes, in what way the project have benefited the community? _____
    _____
17. In your opinion, was the project successful? Yes ☐ No ☐
18. If your answer for the above question is yes, what were the reasons for success story?

_____

_____

_____

_____

19. What was your expectation from the investments undertaken in the area?

    _____

    _____

20. Did the investment policy and practices benefit you? Yes ☐ No ☐
21. Were the displaced farmers benefited from this policy? Yes ☐ No ☐
22. Are you happy on the projects opened in the area? Yes ☐ No ☐
23. Was there a conflict between the project and the surrounding community?

Very Agree ☐ Agree ☐ Neutral ☐
Disagree ☐ Very Disagree ☐

24. What are the challenges and opportunities of your project?

_____

_____

_____

---

25. Please write the opportunities of this project.

    _____

    _____

    _____

26. What negative or positive situations would happen, if the condition of investment continues in the way it is?

    _____

    _____

    _____

Appendix A3: Survey Questions for Government officials

Dear respondents,

The purpose of this study is to identify the performance of the investment project management office at Dukem regarding provision of land by investors, farmers' satisfaction with compensation and their current life style and the guidance and supervision of the officeto provide data based information to stakeholders for future improvement. This study is considered as a requirement for the completion of degree of Master of Project Management in Business Administration at Saint Mary University. Your voluntary contribution by providing accurate information is vital for the success of this study. The information will be kept confidential and the researcher will be responsible for any harm or injury occurred due to your participation.

Thank you for your participation.

Sincerely Yours!

Signature _____

AbdurahmanTemam

Telephone: +251911680714

1. Name of the Office _____
2. What is the role of your office towards investment?
   Providing land for investors ☐ Supporting in ideas ☐
   Supervising and controlling ☐ Others ☐
3. If your office have other roles, please mention them
   _____
   _____
   _____
4. Were farmers interested when they have been displaced from their land?
   Yes ☐ No ☐
5. Was the compensation paid for farmers sustain their livelihood and satisfy the farmers?
   Yes ☐ No ☐
6. Within how many days would you transfer land to investors?
   Immediately after finishing the process ☐ In less than 10days ☐
   10-30days ☐ >a month ☐
7. Have you studied whether the project is environmentally friendly or not?
   Yes ☐ No ☐

8. How long would investors take to start construction after the handover of the land? (on average) Immediately after the handover In le☐n a month
   1-12months ☐ >a year ☐ ☐

9. How long would investors take to start production/service after the handover of the land? (on average) Immediately after the construction is made ☐

   In less than a month ☐ 1-12months ☐ after a year ☐

10. In what way are you taking supervisions of the project?
    By informing them before supervision ☐ Having a constant plan ☐
    As it is needed ☐ Other ☐
11. How would you control investment projects whether they have been working according to the agreement made between the government and investors?
    By continuous supervision ☐ No supervision at all ☐ Other method ☐
12. Were investment projects done in the towns successful according to their project proposals? Yes ☐ No ☐ Both failure and success ☐
13. For successful projects, what were the reasons for the success?

    _____
    _____
    _____
    _____

14. For unsuccessful projects, what were the causes of their failure?

    _____
    _____
    _____
    _____

15. How would you discharge your responsibilities to ensure outstanding performances of the investment projects?

    _____
    _____
    _____
    _____

16. Were investments made in the surrounding improved the socio-economic condition of the employees? Yes ☐ No ☐

17. If the answer for Q16 is yes, list facts?

_____
_____
_____
_____

18. What is the expectation of the government from the investments undertaken in the area?

_____
_____
_____
_____

19. What would happen, if the condition of investment continues in the same way it is?

_____
_____
_____

20. Does the investment policy and practices equally benefit investors and local farmers?
    Yes ☐ No ☐ Other ☐

21. What is your recommendation towards policy change in respect to investment?

_____
_____
_____
_____

22. What is your recommendation for improved project management made in the town?

_____
_____
_____

APPENDIX B: Points considered in Document Review

1. In which year investment have been started in the town?
2. How many investment projects have been conducted from the starting year till the end of the year 2015?
3. How many investment projects licenses have been given from 2010-2015?
4. What are the types of investments undertaken in the town?
5. What are the names of the investors who took investment licenses?
6. How many investors started construction who have been licensed from 2010-2015?
7. How many investors started production or services who have been licensed from 2010-2015?
8. Other important and necessary information have been considered.
    - Annual projects report reads
    - How do constitutive stakeholders meeting reached upon
    - What different actions were taken by the government regarding project performance

APPENDIX C: Points considered in Field visit

1. The livelihood of the farmers
2. How their children live
3. Availabilities of infrastructure in the areas
    - School
    - Water
    - Road
    - Power supplies
    - System of waste products removal
    - other